Photo by Jim Crotty/CC

Photo by Rob Pegoraro/CC

CITY OF FRISCO, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2021

FRISCO
TEXAS

Photo by Michael Hogan/CC

Photo by Kelley DeLay/CC

CITY OF FRISCO, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Prepared by:

Financial Services and Budget Department

Chief Financial Officer	-	Anita Cothran, CGFO
Director of Finance	-	Kim Sinclair, CGFO
Director of Budget	-	Jennifer Hundt, CPA, CGFO
Controller	-	Derrick Cotten, CPA
Accounting Manager	-	Tammy Zimmerman, CPA
Financial Services Manager	-	Bee Youngblood, CGFO
Compliance Manager	-	Minta Hovland

FRISCO
PROGRESS IN MOTION

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2021

Table of Contents

	Page
INTRODUCTORY SECTION (unaudited)	
Letter of Transmittal	vii
GFOA Certificate of Achievement	xvii
Elected Officials and Administrative Officers	xviii
Organizational Chart	xix
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis (unaudited)	5
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	22
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	23
Statement of Revenues, Expenditures and Changes in Fund Balances	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	26
Adjustments to Revenues, Expenditures and Other Financing Sources and Uses from GAAP Basis to Budgetary Basis	26
TIRZ #1 Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	27
Proprietary Fund Financial Statements	
Statement of Net Position	28
Statement of Revenues, Expenses, and Changes in Fund Net Position	31
Statement of Cash Flows	32
Component Units Fund Financial Statements	
Combining Statement of Net Position	35
Combining Statement of Activities	36
Notes to the Basic Financial Statements	38
REQUIRED SUPPLEMENTARY INFORMATION (unaudited)	
Schedule of Changes in the City's Net Pension Liability and Related Ratios	86
Schedule of City Contributions	87
Notes to Schedule of City Contributions	87
Schedule of Changes in the City's Total OPEB Liability and Related Ratios TMRS Supplemental Death	88
Schedule of Changes in the City's Total OPEB Liability and Related Ratios Retiree Health Insurance	89

Table of Contents- continued

	Page
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (unaudited)	
Budget to Actual Comparisons - Major Funds	
Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	94
Adjustments to Revenues, Expenditures and Other Financing Sources and Uses from GAAP Basis to Budgetary Basis	94
Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	95
Nonmajor Governmental Funds	
Combining Balance Sheet	98
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	100
Budget to Actual Comparisons - Nonmajor Governmental Funds	
Hotel/Motel Tax Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	102
Adjustments to Revenues, Expenditures and Other Financing Sources and Uses from GAAP Basis to Budgetary Basis	102
Panther Creek PID Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	103
Grants Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	104
Adjustments to Revenues, Expenditures and Other Financing Sources and Uses from GAAP Basis to Budgetary Basis	104
CDBG Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	105
Traffic Control Enforcement Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	106
Adjustments to Revenues, Expenditures and Other Financing Sources and Uses from GAAP Basis to Budgetary Basis	106
TIRZ #5 Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	107
Court Fees Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	108
PEG Cable Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	109
Adjustments to Revenues, Expenditures and Other Financing Sources and Uses from GAAP Basis to Budgetary Basis	109
Road Impact Fees Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	110
Park Development Fees Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	111

Table of Contents- continued

	Page
Nonmajor Proprietary Fund Financial Statements	
Combining Statement of Net Position	114
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	117
Combining Statement of Cash Flows	118
Component Units Financial Statements	
Combining Balance Sheet	122
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	123
Reconciliation of the Combining Balance Sheet of Component Units to the Statement of Net Position	124
Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Component Units to the Statement of Activities	124
STATISTICAL SECTION (unaudited)	
Net Position by Component	128
Changes in Net Position	130
Governmental Activities Tax Revenues By Source	133
Fund Balances of Governmental Funds	134
Changes in Fund Balances of Governmental Funds	136
General Governmental Tax Revenues By Source	139
Property Values	140
Property Tax Rates - Direct and Overlapping Governments	142
Principal Taxpayers - Current Year and Nine Years Ago	145
Property Tax Levies and Collections	146
Ratio of Outstanding Debt by Type	148
Ratio of Net Bonded General Obligation Debt to Assessed Value and Net Bonded General Obligation Debt Per Capita	150
Computation of Direct and Overlapping Bonded Debt	152
Computation of Legal Debt Margin	153
Demographic and Economic Statistics	154
Principal Employers	155
City Government Employees by Function/Program	156
Operating Indicators by Function	157
Capital Asset Statistics by Function	158

FRISCO
PROGRESS IN MOTION

INTRODUCTORY SECTION

March 1, 2022

To the Honorable Mayor, Members of the City Council, City Manager, & Residents of the City of Frisco, Texas:

The Financial Services Department is pleased to submit the *Annual Comprehensive Financial Report (ACFR)* of the City of Frisco, Texas (the City), for the year ended September 30, 2021, in accordance with the City Charter.

This report is published to provide our residents, our bondholders, the City Council, staff and other interested parties with detailed information concerning the financial condition and activities of the City. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

BKD, Certified Public Accountants, has issued an unmodified ("clean") opinion on the City of Frisco's financial statements for the year ended September 30, 2021. The report of independent auditors is located at the beginning of the Financial Section.

This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements.

City Profile

The City of Frisco, incorporated in 1908, is in west central Collin County and east central Denton County, approximately 25 miles north of downtown Dallas at the intersection of the Dallas North Tollway (DNT) and State Highway 121 Sam Rayburn Tollway (SRT). US Highway 380 is the northern border for the City. Frisco is readily accessible via SRT from the Dallas Fort Worth International Airport or via the DNT from Love Field Airport in Dallas. The City currently encompasses (incorporated and unincorporated) 70 square miles which is approximately 22.5% undeveloped or available, and 2.5% floodplain.

Frisco is a political subdivision that operates as a home-rule city under the laws of the State of Texas and a charter approved by the voters in 1987 and amended in 2002, 2010 and 2019. The government is empowered to levy a property tax on both real and personal property located within its boundaries. The government also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the Council.

The City operates under the Council/Manager form of government. Policy-making and legislative authority are vested in the governing council, which consists of a Mayor and a six-member Council. The governing council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the government's manager, attorney and municipal judge. The City Manager is the chief administrative officer. He is responsible for carrying out the policies and ordinances of the council, for overseeing the day-to-day operations of the government, and for appointing the heads of the City Departments. The Council is elected on a non-partisan basis. Council members are elected to three-year staggered terms, with two council members elected every year. The Mayor is elected to three-year terms. The Council members and the Mayor are elected at-large and are limited to three consecutive elective terms.

Financial Reporting

The financial reporting entity (the government) includes all the funds of the primary government (the City of Frisco as legally defined, in addition to three discretely presented component units as discussed further in this report). Services that are provided have proven to be necessary and meaningful and are those that the City can usually provide at the most efficient cost. The government provides a full range of services including police and fire protection; emergency ambulance service; environmental health; sanitation services; community development; building inspections; traffic control; parks and libraries; the construction and operation of water, sewer, drainage, streets and infrastructure; convention and tourism activities, and cultural events. Additionally, general administrative services are provided by the City to the various City Departments.

Discretely presented component units are legally separate entities and not part of the primary government's operations. Accordingly, the Frisco Economic Development Corporation, the Frisco Community Development Corporation and the City of Frisco Charitable Foundation are included in the financial statements as discretely presented component units.

The Council is required to adopt a final budget by no later than the close of the fiscal year. The annual budget serves as the foundation for the City's financial planning and control. All departments are required to submit requests for appropriation to the City Manager's Office on or before June 15 of each year. These requests are used to develop a proposed budget. The proposed budget is then presented to the City Council for review on or before August 15. The City Council is required to hold public hearings and to adopt a final budget no later than September 30, the close of the City of Frisco's fiscal year. The budget is prepared by fund (e.g., general), function (e.g., public safety), department (e.g., police), division (e.g., patrol), and object (e.g., expense). Transfer of appropriations within a department may be made with approval of the Department Head. Transfers within funds may be made with approval of the City Manager. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Financial reports are produced showing budget and actual expenditures by line item and are made available monthly for managers to review. All financial information is also available for managers online and in real time. Finance staff analyze for budgetary compliance by line item. Personnel expenditures are monitored and controlled at a position control level and capital expenditures are monitored and controlled by project by the City Budget Office. Revenue budgets are reviewed monthly, and variances are reported to management and City Council.

Local Economy

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. Frisco is a community that offers exceptional housing, top ranked schools, and a dynamic business culture, all of which are strong factors in the success of the City's economy. We have a stable, diverse economic base, strong property tax base and are in a desirable location in North Texas. Even though the 2021 economy was impacted by COVID-19 pandemic, the City did complete projects adding economic benefits to our local economy.

Data from the U.S. Census Bureau's 2019 American Community Survey shows Frisco's median household income is $116,884, which is considerably higher than the $64,034 median income for Texas. Also, according to the same survey, Frisco's residents are well-educated with 63.2% of adults age 25 or older having a bachelor's degree or higher level of education, compared to 30.8% for Texas. Frisco's current unemployment rate is 3%, as of November 2021.

Frisco is home to an ever-growing corporate environment with a diversified group of companies. The Frisco Economic Development Corporation (FEDC) continues to facilitate new projects to assist in this growth and diversification. The FEDC also operates a thriving business retention and expansion program to assist companies already located in Frisco.

During FY21, the FEDC announced eight (8) projects, with a potential of 554,356 square feet and a potential capital investment of $275.9 million. Estimated potential direct jobs created or retained total 2,092. The Frisco EDC now has 50 percent more qualified prospects in the pipeline than prior to the COVID-19 pandemic. The pipeline generates a strong stream of incoming leads monthly.

The FEDC assisted T-Mobile with another expansion adding 250 new jobs in Frisco. The City and the FEDC also assisted three companies in moving their national headquarters to Frisco, two of which are corporate relocations from the West Coast. Those three companies are Wiley X, Cain Watters & Associates, and Northwest Hardwoods.

In February 2021, Magellan Health, a Fortune 500 healthcare company, expanded its executive offices to include a Healthcare Innovation Center, creating 30 new jobs. This is in addition to the 25 new jobs added by Magellan Health when they moved their executive offices to Frisco in 2020.

Hall Group started construction on a new Class AAA office tower at Hall Park to kick off the $7 billion mixed-use project anchored by a new Performing Arts Center and a world-class park in a public-private partnership. The new 20-story office building will be 468,516 square feet and will be located adjacent to a programmed and master planned public-private park. Tower 1 is scheduled to open in the 4th quarter of 2022.

As part of the Hall Park redevelopment, Hall Group also announced plans for the Performing Arts Center through a master development agreement with the City of Frisco, the Frisco Independent School District, and the Frisco Community Development Corporation. The project is expected to begin design work in 2022.

In 2017, the Dallas Cowboys headquarters anchored development of The Star in Frisco, a 91-acre mixed use office, hospitality, residential, and entertainment district. In 2021, the Dallas Cowboys (Blue Star Land) started construction on a new 315,000 square foot Class A office tower within The Star District. When completed, the new building will include the headquarters for Cain Watters & Associates. Keurig Dr Pepper also opened its headquarters in a new 350,000 SF Class A office building at The Star, and it's projected to bring over 1,000 jobs to Frisco. In addition, five new dining concepts will be opening at The Star in 2022.

Star Business Park continued to expand as well with the construction of two new warehouse buildings totaling over 275,000 square feet, plus construction commenced on the new headquarters and warehouse for Wiley X. Since inception, Star Business Park has continued to add significantly to the Frisco property tax base with hundreds of jobs created by numerous tenants including Fortune 500 companies such as Amazon and Home Depot.

The development partners of Frisco Station continue to aggressively grow their footprint. In April 2021, Frisco Station Partners completed construction of the shell for The Offices Three, a 210,000 square foot class A office building. The office building is the third of five planned office buildings for the development's corporate district. Also, in FY21, several hotels opened within The Hub including the Canopy by Hilton, AC Hotel Frisco by Marriott and Residence Inn with amenities for business-class guests. Each property offers 150 rooms.

The PGA of America headquarters, also known as PGA Frisco, was mostly completed in 2021, and the new facility is expected to open in 2022 including the relocation of 100 employees to Frisco—many whom have already made the move.

The Omni PGA Frisco Resort also started construction on the hotel and on-site amenities. Set to open in Spring 2023, Omni PGA Frisco Resort will become a leading destination for golf, providing an unparalleled experience for those who are advanced players, new to the game, and everything in between. The golf resort will offer 46 holes of golf designed by Beau Welling and Gil Hanse, including two 18-hole championship golf courses, a lighted, 10-hole short course and lighted, 2-acre putting green. The PGA Golf Courses were mostly completed in 2021, and crews began the one year seeding and growing process to prepare the courses for opening in 2023.

The resort features 501 guest rooms and suites, seven four-bedroom golf villas, three pools, a destination spa, Lounge by Top Golf and more than 127,000-square feet of indoor and outdoor meeting and event space. An expansive retail and entertainment district will feature dining, shopping and an outdoor stage set to be activated for concerts and outdoor programming; additional outdoor activities include tennis, pickleball and bocce ball.

Located adjacent to PGA Frisco, The Fields and The Link projects both received approvals on their Planned Development (PD) designations by the City of Frisco. The Fields project will feature a series of interconnected villages and neighborhoods including several mixed-use districts for offices, corporate campuses, retail, shopping, dining, and entertainment. The full-spectrum development is also a mix of urban and open space with 30-miles of hike and bike trails and amenities that cater to families, executives, employers, and their employees. The Link

project is a $1 billion mixed-use addition to PGA Frisco that connects the two developments through an expansive greenspace network. The project will include Class A offices that have direct views of the PGA Championship Golf Course and will connect to the Omni Resort & Conference Facility.

In the industry of esports, gaming and sports innovation, venture capital (VCs) firms and seed accelerators from numerous locations hosted technology and entrepreneurship startup events. To help advance the City's vision of becoming a hub for Venture Capital activity, the Frisco EDC hosted a curated networking event for VCs, startups, and high-level investors. The Frisco EDC also conducted a study of investors and VCs with ties to Frisco and in FY21, VC firm State 1 Financial established their home office in Frisco.

Construction has been completed on Medical City Frisco's $54 million, 150,000 square-foot medical office building and ambulatory surgery center located on the Southeast corner of Main Street and the Dallas North Tollway. Medical City Frisco has continued to expand and has started construction on a 2-story, $91 million hospital tower for spine, orthopedics, surgery, and ICU level care. The new facility offers thirty-six additional patient beds.

Frisco's housing development continues to be robust with 2,373 new single-family permits issued during the year. There were two (2) new multi-family and one urban living development permits issued. New commercial projects completed during the year total over 2.3 million square feet with the value totaling over $258 million for all permits issued.

Frisco is a tourism destination leader with venues and attractions that generate significant economic benefits to Frisco retailers, restaurants, hotels, as well as other businesses. On December 19, 2021, Frisco welcomed the Tropical Smoothie Café Frisco Bowl NCAA football game to Toyota Stadium. The teams were University of Texas San Antonio (UTSA), representing Conference USA, and San Diego State University, representing the Mountain West Conference. On December 23, 2021, a new game, the Frisco Classic Bowl, was also held at Toyota Stadium. The teams were Miami of Ohio, representing the Mid-American Conference and the University of North Texas, representing Conference USA. On January 8, 2022, Frisco welcomed back the NCAA Division I Football Championship Game (FCS) at Toyota Stadium hosted by the Southland Conference, Hunt Sports Group, and the City of Frisco. The teams for the 2022 game were North Dakota State University, representing the Missouri Valley Conference and Montana State University, representing the Big Sky Conference.

Frisco ISD (FISD), a public school district within the City considers itself a "Destination District" for families moving to or relocating within the North Texas area. There are currently 73 schools, including 42 elementary, 17 middle schools, 11 high schools and 3 special program centers. Frisco ISD's student enrollment as of November 2021 was more than 65,000 students. Frisco's 12th high school scheduled to open in 2022 is located next to the PGA of America's Headquarters and Championship Level Golf Course. Students will have access to the PGA of America's practice center and world-class training facilities, creating opportunities for future golf pros from Frisco. A Bond Referendum passed in November 2018 provides capital for the FISD's continued building program through the 2025-26 school year or 72,000 students. Other ISD's in the City of Frisco include Prosper, Lewisville, and Little Elm.

During FY21, the University of North Texas (UNT) at Frisco's campus construction continued and the new campus is projected to be completed in 2022. Classes will begin at the new campus in 2023. The City of Frisco and UNT's partnership has continued to bring the innovation

of UNT to the community through what ultimately will be a 100-acre branch campus in North Central Frisco, at the southwest corner of Preston Road and Panther Creek Parkway designed to serve at least 5,000 students in the first anchor building.

Collin College, a premier community college district in Collin County, continues to expand the Preston Ridge Campus (PRC) in Frisco with current enrollment of more than 8,000 students. The Frisco Campus also opened a new IT Center of Excellence, focusing on software development and cybersecurity, two of the top growth industries among the DFW region and Frisco as well as the Institute of Hospitality and Culinary Education (IHCE). The National Convergence Technology Center (CTC), conference center, and a university-style central quad are also two impressive features of the Frisco campus.

During FY21, the Frisco Community Development Corporation purchased the remaining property of the closed battery recycling plant, Exide, and is in the process of obtaining a permit from the Texas Commission on Environmental Quality to decommission several landfills on the property and remediate the soil which was contaminated years ago. Future uses of the property will be determined once the remediation is complete.

Looking ahead to 2022 and beyond, the City anticipates continued development interest and investment as our business attraction and retention efforts, as well as our schools, public safety, infrastructure, and parks systems make Frisco one of the best places to live, work, play, educate and innovate.

Long-Term Financial Planning-Capital Improvement Program

The City has a high level five-year financial model including staffing requirements and a five-year capital improvement plan. We monitor our property values added through building permits, sales tax collections, and residential building permit starts. Master Planning for the locations of future Fire Stations, Parks, and Public Facilities are completed and approved by the City Council. The City encourages and provides incentives for new and updated opportunities and developments to sustain our financial economy. Staffing levels are recommended by Executive Directors due to growth and programming demands during the annual budget process. The City used bond authority approved by voters in May 2015 and May 2019 for the fiscal year 2021 Capital Improvement Program. Of the $109,000,000 budgeted in FY21, which were sold in December 2020, funds were allocated for the Public Library $55 million, Public Works Facility Expansion $16 million, Public Safety Equipment $8 million, Roadways $15 million and Utility Fund Expansion and Improvements $15 million.

In December 2021 (FY22), the City issued additional general obligation debt of $100 million to fund City Hall Renovations $10.925 million, Roadways $55 million, Public Safety Equipment $3.6 million, Performing Arts Center $12 million and Parks Development and Facilities $18.475 million.

Infrastructure, including roads and drainage, includes PGA Parkway (formerly Rockhill Parkway Preston to Coit), Dallas Parkway, Legacy Drive, Downtown Improvement, Fields Parkway, and Panther Creek Parkway is funded through voter approved bonds, impact fees and developer contributions.

A Performing Arts Center has been approved by City Council with several private partners and the Frisco ISD. Tax Increment Reinvestment Zone #6 was created in December 2020 (FY21)

and a planned master developer agreement which provides redevelopment opportunities in the City's first office park – Hall Office Park was approved in June 2021.

TIRZ #7 was created in December 2021 (FY22) and will fund additional infrastructure and needs in the northwest quadrant of the City, including the Fields development project.

Certificates of Obligation were issued for several major water & wastewater projects including the Legacy Lift Station, Panther Creek Wastewater Main East and Panther Creek Interceptor Replacement. Funds are also available for expansion of the reuse system. Federal funds will supplement several of the major construction projects through the American Rescue Plan Act, with the City set to receive approximately $16 million over the next two years. The impact of the Capital Improvement Program on the operating budgets of the City and the project listing for current and planned projects is included in detail in the FY22 Annual Budget.

Relevant Financial Policies

The City Council formed the Finance & Audit Committee in 2003. The Committee meets on an as-needed basis, and at least quarterly, to discuss financial and budgetary information for long-term planning, financial policies, fund balance reserve requirements, tax rate recommendations and fees for services recommendations.

We continue to contract services to provide internal control monitoring and to provide a reasonable assurance of proper recording of financial transactions. We have developed a model which allows staff to evaluate risks and action plans for internal controls.

The City has recognized the long-term financial implications of its pension and retiree health benefits, as well as staffing compensation decisions and policies. Regarding pensions, we have adopted funding as proposed by the Texas Municipal Retirement System to ensure the long-term strength of the plan. For retiree health care, we provide an optional retirement health plan, funded by the retirees to meet their health care insurance coverage needs until age 65. We review plan designs for our benefits offered on an annual basis to provide a sustainable benefit to our employees without shifting costs to future taxpayers and to comply with any new federal laws and regulations.

The City has adopted financial policies that set forth the basic framework for the fiscal management of the City. These policies are developed within the parameters established by applicable provisions of the Texas Local Government Code and the City Charter. The policies are reviewed on an annual basis and new policies are added or current policies modified to accommodate changing circumstances or conditions and best practices.

None of the City's financial policies had a significant impact on the current period's financial statements, as the City was able to maintain reserve levels within the stated policies for the governmental funds. Constant review of revenue and expenditure trends and reserve levels is maintained with specific responsibility assigned to the Chief Financial Officer.

Budget Development 2022

The FY22 approved appropriation continues funding for implementation of City Council's strategies and priorities as adopted during 2021. As we developed the funding plan for FY22, special considerations were given to the impacts on our revenue streams due to the pandemic, the growth which impacts operations, and the special projects that we continue to manage. The

population assumption growth is 5.5%. A priority for the Council is to develop commercial/retail along US380, and we believe that the PGA project will provide the needed energy to see that goal to fruition. In addition, the recent rezoning of Hall Office Park will provide a great opportunity for dynamic mixed used office space as Hall Park, one of our first major office parks, is located just south of and combines with The Star, Frisco Station, and The Gate.

We added 62 net positions (42 full time and 20 part time/seasonal) for FY22 which includes 26 new public safety positions, of which several were grant funded in the first year. During FY21, we also reviewed our compensation and benefit package and recommended enhancements based on surveying metroplex cities and listening to employee concerns. Workers Compensation policies and insurance carriers were reviewed and funding was provided to ensure that our employees are receiving the best care and customer service from the plans we purchase.

Replacement capital was funded at $5.0 million. We are committed as a City to maintain our current equipment and facilities. Several new programs were funded including the Employee Wellness Clinic which should open for employees by summer of 2022. Funding of $3 million, for an average 3% merit for civilian employees or one step increase for public safety personnel was approved, and market adjustments were funded to implement the market study recommendations from our HR Department.

The Finance & Budget Manual which was well received during FY21 was updated and details our major revenue sources and budget development methodology. Links to various information sources regarding property taxes and sales tax are included in the manual. Financial Services also published a condensed version of the Annual Report, *Citizen's Financial Report*, which is very well received and offers a short recap of the financial position and the past year's achievements and statistics. For the second year, the Budget Office prepared a *Citizen's Budget in Brief* which offers a short recap of the adopted budget and the executive summary written by the City Manager.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Frisco for its *Annual Comprehensive Financial Report (ACFR)* for the fiscal year ended September 30, 2020. This was the twentieth year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government unit had to publish an easily readable and efficiently organized annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been accomplished without the dedicated services of the entire staff of the Financial Services Department, Budget Services Department, City Manager's Office and our independent auditors. We would like to express our appreciation to staff of the other City departments who assisted and contributed to the preparation and publication of this report in any way. Special thanks are extended to members of the City

Council and City Manager's Office for their leadership, oversight and support of professionalism and sound fiscal management.

The next year will be a year of change for the City of Frisco as our long-time City Manager, George Purefoy, has announced he will be retiring in June. City Council has hired an executive search firm to assist in replacing Mr. Purefoy, who has served as the City of Frisco's only City Manager since 1987 through a period of growth from a small rural farm community to a bustling and thriving metroplex city in North Texas. Council has requested that the City hire an outside consulting firm to assist with employee engagement, culture and change management during this transition. We would be remiss to not humbly thank Mr. Purefoy for his many years of service and his steadfast attention to all matters financial for the City.

Respectfully submitted,

Anita Cothran

Anita Cothran, CGFO
Chief Financial Officer

Kim Sinclair

Kim Sinclair, CGFO
Director of Financial Services

Derrick Cotten, CPA
Controller

FRISCO
PROGRESS IN MOTION

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Frisco
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

City of Frisco, Texas

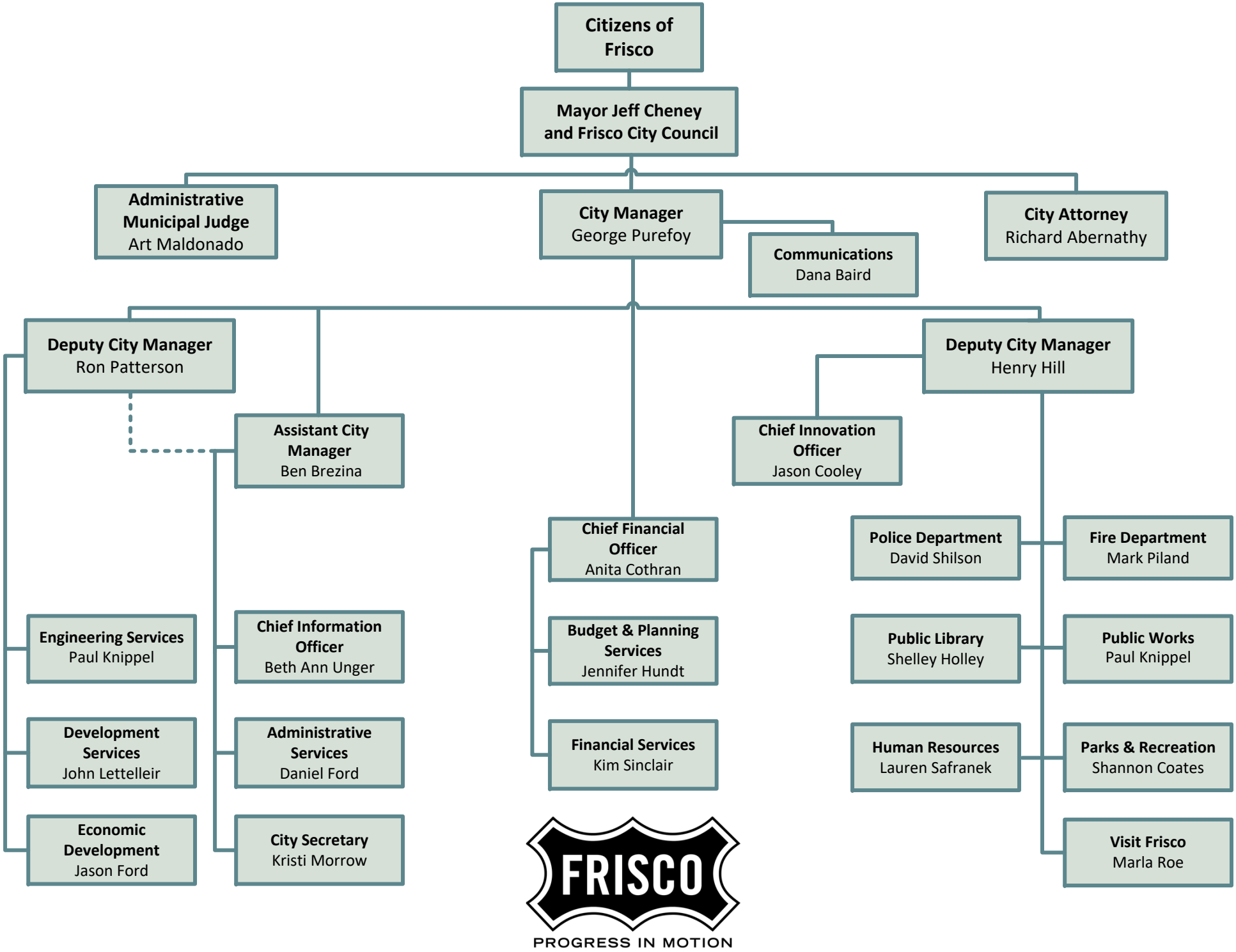
Elected Officials and Administrative Officers
September 30, 2021

Council Members

Mayor	Jeff Cheney
Mayor Pro-tem, Place 4	Bill Woodard
Deputy Mayor Pro-tem, Place 6	Brian Livingston
Councilmember, Place 1	John Keating
Councilmember, Place 2	Shona Huffman
Councilmember, Place 3	Angelia Pelham
Councilmember, Place 5	Dan Stricklin

Administrative Officers

City Manager	George Purefoy
Deputy City Manager	Henry Hill
Deputy City Manager	Ron Patterson
Assistant City Manager	Ben Brezina
City Attorney	Richard Abernathy
City Judge	Art Maldonado
City Secretary	Kristi Morrow
Chief Financial Officer	Anita Cothran
Chief Frisco Fire	Mark Piland
Chief Frisco Police	David Shilson
Chief Information Officer	Beth Ann Unger
Director of Administrative Services	Daniel Ford
Director of Budget	Jennifer Hundt
Director of Communications	Dana Baird-Hanks
Director of Development Services	John Lettelleir
Director of Finance	Kim Sinclair
Director of Human Resources	Lauren Safranek
Director of Library Services	Shelly Holley
Director of Parks & Recreation	Shannon Coates
Director of Public Works/Engineering	Paul Knippel
Economic Development President	Jason Ford
Executive Director Visit Frisco	Marla Roe


Citizens of Frisco
Mayor Jeff Cheney and Frisco City Council
Administrative Municipal Judge
Art Maldonado
City Manager
George Purefoy
Communications
Dana Baird
City Attorney
Richard Abernathy
Deputy City Manager
Ron Patterson
Assistant City Manager
Ben Brezina
Chief Innovation Officer
Jason Cooley
Deputy City Manager
Henry Hill
Chief Financial Officer
Anita Cothran
Police Department
David Shilson
Fire Department
Mark Piland
Engineering Services
Paul Knippel
Chief Information Officer
Beth Ann Unger
Budget & Planning Services
Jennifer Hundt
Public Library
Shelley Holley
Public Works
Paul Knippel
Development Services
John Lettelleir
Administrative Services
Daniel Ford
Financial Services
Kim Sinclair
Human Resources
Lauren Safranek
Parks & Recreation
Shannon Coates
Economic Development
Jason Ford
City Secretary
Kristi Morrow
Visit Frisco
Marla Roe
FRISCO
PROGRESS IN MOTION

FRISCO
PROGRESS IN MOTION

FINANCIAL SECTION

BKD
CPAs & Advisors

14241 Dallas Parkway, Suite 1100 | Dallas, TX 75254-2961
972.702.8262 | Fax 972.702.0673 | bkd.com

Independent Auditor's Report

The Honorable Mayor and Members of City Council
City of Frisco, Texas
Frisco, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Frisco, Texas (City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

PRAXITY
Empowering Business Globally

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and TIRZ #1 fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other postemployment information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit for the year ended September 30, 2021, was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements, budgetary schedules, introductory section, and statistical section, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended September 30, 2021, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and budgetary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended September 30, 2021.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated February 22, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Dallas, Texas
February 22, 2022

FRISCO
PROGRESS IN MOTION

Management's Discussion and Analysis

As management of the City of Frisco, (the City), we offer this narrative overview and analysis of the financial activities and financial position of the City for the fiscal year ended September 30, 2021. In the broadest context, the financial wellbeing of a government lies in the underlying wealth and willingness of its citizens and property owners to pay adequate taxes combined with the vision of the government's elected and appointed leadership to spend those taxes strategically so the City's tax base, service levels, City assets and the City's desirability will be maintained, not just for the current year, but well into the future.

Financial reporting is limited in its ability to provide this "big picture", but rather focuses on financial position and changes in said financial position. In other words, are revenues and/or expenses/expenditures higher or lower than the previous year? Has net position (containing both short-and long-term assets and liabilities) or fund balances (the current "spendable" assets less current liabilities) of the government been maintained? We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal (pages vii - xv of this report) and the statistical section (pages 127-158), as well as information on the City Council's Strategic Goals, the Annual Budget and other community information found on the City's website at www.friscotexas.gov.

It should be noted that the Independent Auditor's Report describes the auditor's association with the various sections of this report and that all the additional information from the website and other City sources is unaudited and has not been updated for events that may have occurred subsequent to the issuance of the respective report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Frisco exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $2,023,237,490 (net position). The majority of the City's assets are invested in capital assets or restricted for specific purposes. The remaining $149,031,371 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fiscal policies.
- The City's net position for governmental activities increased by $24,380,448 as a result of this year's operations. Net position of the City's business-type activities increased as a result of this year's operations by $21,343,281.
- As of the close of the current fiscal year, the City of Frisco's governmental funds reported a combined ending fund balance of $469,506,118. Approximately 14% of this total is available for spending at the City's discretion (unassigned).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $63,442,208 or 37% of total General Fund expenditures.
- The deferred outflows of the City decreased by $1,824,621 or (6.35%) during the fiscal year. This change is due to the change in the OPEB and pension liability.
- The deferred inflows of the City increased by $1,313,198 or 10.1% during the fiscal year. This change is due to actuarial assumptions for the pension liability.
- The City of Frisco's total debt increased by $34,436,911 or 3.98% during the fiscal year.

The ad valorem rate for the City was $.4466 for fiscal year 2021. This tax rate supports debt service, operations and maintenance, and bond programs to construct infrastructure and city facilities. The homestead exemption for residential properties remained 10% for fiscal year 2021 tax statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Frisco's basic financial statements. The City of Frisco's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Frisco finances, in a manner similar to a private-sector business.

The government-wide financial statements are prepared utilizing the economic resources measurement focus and the accrual basis of accounting. The *statement of net position* presents information on all the City of Frisco's assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Frisco is improving or deteriorating. Other non-financial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure (i.e., roads, drainage improvements, storm and sewer lines, etc.), to assess the overall health or financial condition of the City.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All the revenues and expenses are considered as soon as the underlying event giving rise to the item occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, retirement plan liabilities and earned but unused vacation leave).

In the statement of net position and the statement of activities, the City's reporting entity is divided into three kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including police, fire, library, planning and development, traffic engineering, parks and recreation, public works, information technology services, finance, human resources and general administration. Property taxes, sales taxes, franchise taxes, charges for services and intergovernmental revenue finance most of these activities.
- Business-type activities – Includes services for which the City charges a fee to customers to cover all or most of the cost of providing such services. The City's water and sewer system operations, stormwater operations and environmental services are reported as business-type activities.
- Component units – The City includes three separate legal entities in its report – the Frisco Economic Development Corporation, the Frisco Community Development Corporation and the City of Frisco Charitable Foundation. Although legally separate, these "component units" are included because the City is financially accountable for them.

Reporting the City's Most Significant Funds

Fund financial statements. The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other monies. The City's two kinds of funds – governmental and proprietary – utilize different accounting approaches.

- Governmental funds – The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationships or differences between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is detailed in a reconciliation following each of the governmental fund financial statements.

  The City of Frisco maintains fourteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Tax Increment Reinvestment Zone Fund (TIRZ), Capital Projects fund, and the Debt Service fund all of which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements starting on page 98 of this report.

- Proprietary funds – The City charges customers directly for certain services it provides. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise funds (a fund type of proprietary funds) are identical to the business-type activities that are reported in the government-wide statements, but enterprise fund financial statements provide more detail and additional information, such as cash flows.

  The City of Frisco maintains three individual enterprise funds. The City uses enterprise funds to account for its water and sewer, storm drainage and environmental services activities. Only the water and sewer fund is considered to be a major fund of the City.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information (RSI) concerning the City's progress in funding its obligation to provide pension benefits and other postemployment benefits to the employees.

THE CITY AS A WHOLE – GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position and assets by category may serve over time as a useful indicator of the government's financial position. In the case of the City of Frisco, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by $2,023,237,490 as of September 30, 2021.

By far the largest portion of the City's net position (86%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, the assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Frisco Net Position
September 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	$ 555,660,795	$ 500,816,271	$202,890,452	$173,076,920	$ 758,551,247	$ 673,893,191
Capital assets	1,829,237,437	1,825,204,801	462,701,733	461,686,575	2,291,939,170	2,286,891,376
Total assets	2,384,898,232	2,326,021,072	665,592,185	634,763,495	3,050,490,417	2,960,784,567
Deferred outflows of resources	22,702,672	24,004,587	4,222,553	4,745,259	26,925,225	28,749,846
Other liabilities	64,524,606	64,838,269	10,870,538	11,080,620	75,395,144	75,918,889
Long term liabilities	793,745,951	761,420,501	170,727,806	161,685,209	964,473,757	923,105,710
Total liabilities	858,270,557	826,258,770	181,598,344	172,765,829	1,039,868,901	999,024,599
Deferred inflows of resources	12,322,483	11,139,473	1,986,768	1,856,580	14,309,251	12,996,053
Net investment in capital assets	1,377,424,378	1,375,189,312	367,819,577	359,016,697	1,745,243,955	1,734,206,009
Restricted	83,564,484	74,348,180	45,397,680	36,861,360	128,962,164	111,209,540
Unrestricted	76,019,002	63,089,924	73,012,369	69,008,288	149,031,371	132,098,212
Total net position	$1,537,007,864	$1,512,627,416	$486,229,626	$464,886,345	$2,023,237,490	$1,977,513,761

An additional portion of the City's net position (6%) represents resources that are subject to external restrictions on how they may be used, including bond covenants. The remaining balance of unrestricted net position $149,031,371 may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.

As of September 30, 2021, the City is able to report positive balances in all three net position categories, both for the government, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal years.

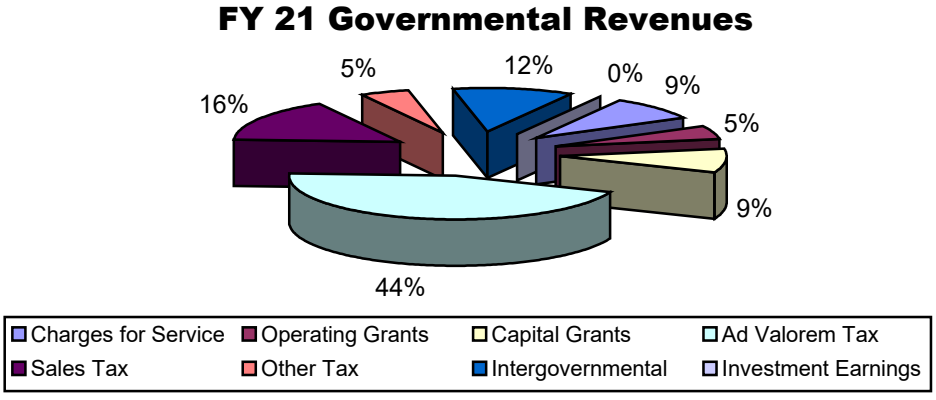
Analysis of the City's Operations – Overall the City had an increase in net position of $45,723,729.

Governmental activities: Governmental activities increased the total net position by $24,380,448 or 53% of the total growth. Net investment in capital assets increased by $2,235,066 due to increases in capital investment (or projects completed during the year), net of changes in debt. Unrestricted net position showed an increase of $12,929,078. Restricted net position increased by $9,216,304 primarily due to increases in capital projects and restricted fees to fund the projects.

Total revenues for governmental activities decreased when compared to the prior year by $27,364,021. General revenue had an increase of $10,636,023, while program revenues had a decrease of $38,000,044. These were primarily due to the following factors:

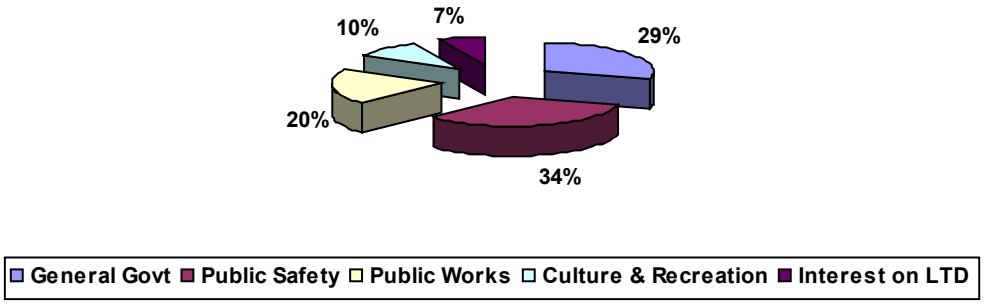
General revenues: Property tax revenue includes an increase of $8.4 million and is due to a combination of the increased value in existing property and the value generated by new improvements and annexations. Sales taxes increased $9.9 million, which exceeded expectations and was attributed to strong sales across all industries. Franchise taxes had a slight net decrease of $526,359 and other taxes showed an increase of $1 million. Intergovernmental revenues decreased $2 million due to prior year contributions from the component units for projects within the City. Investment earnings decreased by $6 million due to overall market conditions.

Program revenues: Charges for services increased by $2.2 million during the year, primarily due to an increase in services coming out of the pandemic. Operating grants and contributions decreased this fiscal year due to the prior year influx of Coronavirus Aid, Relief, and Economic Security (CARES) funding from the federal government. Capital contributions decreased during the year, primarily due to decreased funding for public works projects.



Total expenses for governmental activities increased $14.9 million or 5%, which is incremental with providing services to the growing population. General government expenses include a payment of $17.5 million to Frisco Independent School District as part of the agreement with the TIRZ to provide property tax revenue generated in the TIRZ for school district construction expenses. Incurred expenses of $106.7 million were to provide public safety to the citizens of Frisco. These expenses were somewhat offset by the collection of revenues from various sources, including grant income and charges for services. Public works incurred significant expenses of $62.3 million to provide roadway repairs and traffic control/signals for the citizens. These expenses include depreciation for City infrastructure. Total salaries and benefits for the governmental activities totaled approximately $127.9 million or 40% of the total, while depreciation expense totaled $81.2 million or 26%.

FY 21 Governmental Expenses



Business-type activities: Net position from business-type activities increased by $21,343,281 accounting for the remaining total growth. Program revenues of the City's business-type activities were $155,716,875 for the fiscal year. Operating expenses totaled $130,867,973. The increase is affected by several factors, including the following:

The City's water and sewer system recorded charges for services of $106,658,750 and impact fees and contributions of $23,139,862. Total operating expenses were $104,635,110. The most significant expenses of the water and sewer fund were $35,750,853 to purchase water, $24,348,527 for the cost of sewage treatment, $20,437,235 for depreciation and $16,845,476 for salaries and benefits.

City of Frisco's Changes in Net Position
For the years ended
September 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	$ 29,727,023	$ 27,493,170	$ 132,483,029	$ 127,091,924	$ 162,210,052	$ 154,585,094
Operating grants and contributions	16,941,430	20,906,735	93,984	-	17,035,414	20,906,735
Capital grants and contributions	30,506,858	66,775,450	23,139,862	30,875,237	53,646,720	97,650,687
Total program revenues	77,175,311	115,175,355	155,716,875	157,967,161	232,892,186	273,142,516
General revenues						
Ad valorem tax	150,882,839	142,497,915	-	-	150,882,839	142,497,915
Sales tax	54,984,501	45,124,776	-	-	54,984,501	45,124,776
Franchise tax	10,031,878	10,558,237	-	-	10,031,878	10,558,237
Other tax	5,910,603	4,899,326	-	-	5,910,603	4,899,326
Intergovernmental	39,058,316	41,064,382	2,283,546	2,017,771	41,341,862	43,082,153
Investment earnings	432,149	6,519,627	140,776	1,743,065	572,925	8,262,692
Total general revenues	261,300,286	250,664,263	2,424,322	3,760,836	263,724,608	254,425,099
Total revenues	338,475,597	365,839,618	158,141,197	161,727,997	496,616,794	527,567,615
Expenses						
General government	92,795,035	93,428,738	-	-	92,795,035	93,428,738
Public safety	106,713,823	95,145,910	-	-	106,713,823	95,145,910
Public works	62,311,511	53,555,748	-	-	62,311,511	53,555,748
Culture and recreation	32,772,532	37,418,970	-	-	32,772,532	37,418,970
Interest	22,093,367	22,274,232	-	-	22,093,367	22,274,232
Water and sewer	-	-	107,973,934	103,357,849	107,973,934	103,357,849
Other enterprise funds	-	-	26,232,863	20,575,386	26,232,863	20,575,386
Total expenses	316,686,268	301,823,598	134,206,797	123,933,235	450,893,065	425,756,833
Increase in net position before transfers	21,789,329	64,016,020	23,934,400	37,794,762	45,723,729	101,810,782
Transfers	2,591,119	1,115,340	(2,591,119)	(1,115,340)	-	-
Increase in net position	24,380,448	65,131,360	21,343,281	36,679,422	45,723,729	101,810,782
Net position, October 1	1,512,627,416	1,447,496,056	464,886,345	428,206,923	1,977,513,761	1,875,702,979
Net position, September 30	$1,537,007,864	$1,512,627,416	$486,229,626	$464,886,345	$ 2,023,237,490	$ 1,977,513,761

THE CITY'S FUNDS

Governmental Funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending in the next fiscal year.

At the close of the City's fiscal year on September 30, 2021, the governmental funds of the City reported a combined fund balance of $469,506,118, an increase of $58,134,890 in comparison with the prior year. Unassigned fund balance, which is available for spending at the government's discretion, constitutes $63,442,208 of this balance. The remainder of fund balance is non-spendable, restricted, committed or assigned. 1) Non-spendable fund balances of $3,224,904 includes prepaids and inventories held by the government, 2) Restricted balances includes bond proceeds restricted for capital projects $274,017,356, reserves to pay debt service $3,333,381, impact fee revenues restricted for capital project funding $53,091,839, TIRZ #1 balances for other purposes $7,828,228, and other special revenues restricted for a specific purpose $4,960,339, 3) Committed funds included commitments made by resolution by the governing body for insurance reserves and other post-employment benefits (OPEB) $21,960,865, workforce housing programs $380,678 and the capital reserve fund $13,266,320.

4) Assigned fund included commitments made by management for equipment and deferred maintenance $20,000,000 and infrastructure $4,000,000.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $63,442,208, while total fund balance reached $126,015,062. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 37% of total General Fund expenditures, while total fund balance represents 74% of that same amount. The fund balance of the City's General Fund increased $20,643,395 during the current fiscal year attributed mainly to increases in collections for property tax, sales tax and intergovernmental revenues while expenditures for most functional areas were less than originally budgeted.

The TIRZ #1 Fund has a total fund balance of $7,828,228. This amount is restricted for future projects within the zone. The changes in the fund balance are attributed to increased property tax and intergovernmental revenue with expenditures and transfers out also increasing leading to a decrease in overall fund balance.

The Capital Projects Fund has a total fund balance of $274,017,356. The fund balance represents unspent bond proceeds and intergovernmental revenue for roads, facilities and parks that has been received but not yet spent or recognized on specific capital projects. The increase in fund balance is due to debt issuance in 2021 that will be expended in future periods. The revenue recognized is for interest earnings on bond proceeds, intergovernmental/developer agreements for shared costs projects and charges for services.

The Debt Service fund has a total fund balance of $3,333,381, all restricted for retirement of City debt. This is a decrease from the previous fiscal year of $2,045,785. Although higher values and growth of the City resulted in increased property taxes, lower investment earnings and higher debt service costs resulted in the fund balance decrease from 2020.

Proprietary Funds – The City of Frisco's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted Net Position of the enterprise funds at September 30, 2021 totaled $73,012,369. Other factors concerning the finances of these funds have already been addressed in the discussion of the business-type activities.

For FY21 there were no restrictions, commitments, or other limitations significantly affecting the availability of fund resources for future use.

GENERAL FUND BUDGETARY HIGHLIGHTS

For FY21, the City Council approved a final appropriation in September 2021 with the total amount of the appropriation equaling $185 million including transfers out to other city funds. Amendments were made to reallocate funds appropriated to more accurately account for estimated revenues and expenditures.

With the budget amendments made during the fiscal year, the actual expenditures on a budgetary basis were $170.8 million compared to the re-estimated (revised) budget amount of $183.4 million. The $12.6 million variance in total expenditures (excluding transfers out) is attributed to savings in the General Fund for operational dollars budgeted but not required or expended by September 30. This variance includes legal expenditures and sales tax grants budgeted but not expended, as well as, public safety expenditures for salaries which were offset by additional federal grants due to COVID-19.

The actual (on a budgetary basis excluding transfers in) revenues were $189.5 million as compared to the re-estimated (revised) budget amount of $183.8 million excluding transfers. The $5.7 million variance in total revenues is attributed to increases over projections in sales taxes, franchise taxes, intergovernmental revenues, and charges for services collections, with decreases under projections in property taxes and investment earnings.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. At the end of the year, the City had $3,415,166,293 invested in a broad range of capital assets, including land, buildings, park facilities, roads, bridges, water & sewer lines, police and fire equipment, and public works operating equipment and machinery. This amount represents a net increase (including additions and deductions) of $110,304,351 over the prior fiscal year. Total accumulated depreciation for September 30, 2021, was $1,123,227,123 for net capital assets of $2,291,939,170.

Capital Assets September 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	$ 353,814,065	$ 347,612,563	$ 10,672,022	$ 10,547,022	$ 364,486,087	$ 358,159,585
Building & improvements	724,762,840	707,209,217	10,178,723	10,178,723	734,941,563	717,387,940
Machinery & equipment	98,561,946	90,299,554	12,285,934	12,071,559	110,847,880	102,371,113
Construction-in-progress	100,379,780	143,134,501	17,074,135	29,643,362	117,453,915	172,777,863
Improvements other than buildings	1,436,161,132	1,336,556,504	651,275,716	617,608,937	2,087,436,848	1,954,165,441
Total capital assets	2,713,679,763	2,624,812,339	701,486,530	680,049,603	3,415,166,293	3,304,861,942
Less:						
Accumulated depreciation	(884,442,326)	(799,607,538)	(238,784,797)	(218,363,028)	(1,123,227,123)	(1,017,970,566)
Total	$1,829,237,437	$1,825,204,801	$462,701,733	$461,686,575	$2,291,939,170	$2,286,891,376

Land purchased included park land along with various right-of-ways for roads and utilities. Improvements other than buildings include park construction projects and the developer contributions for road construction throughout the City, as well as traffic signals and lighting projects. Vehicles, machinery and some equipment were added during the year based on our equipment replacement schedule.

The City's 2021 Capital Project Multi-Year Budget called for a continuation of the Capital Project Plan. Funding for several major roadway projects, Grand Park and other community parks, fire equipment, facility expansions and new construction, and utility system infrastructure were included in the 2021 Plan.

Additional information regarding capital assets can be found in Note 6 beginning on page 59.

Debt administration. At year-end, the City had $899,339,222 in debt outstanding as compared to $864,902,311 at the end of the prior fiscal year, an increase of (4%) – as shown below.

Outstanding Debt September 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
General obligation bonds	$ 534,795,879	$ 498,318,357	$ 35,472,141	$ 44,280,909	$ 570,268,020	$ 542,599,266
Certificates of obligation bonds	202,317,208	212,716,332	126,753,994	109,586,713	329,071,202	322,303,045
Totals	$ 737,113,087	$ 711,034,689	$ 162,226,135	$ 153,867,622	$ 899,339,222	$ 864,902,311

In January 2021, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2021, in the amount of $20,315,000 with a net premium of $2,999,957. Proceeds from the sale of bonds will be used for improvements and extensions to combined waterworks and sewer system and water re-use system, transmission lines, pump stations, ground storage and costs of issuance associated with the sale of the bonds.

In January 2021, the City issued General Obligation Refunding & Improvement Bonds, Series 2021, in the amount of $91,430,000 with a net premium of $12,068,625. Proceeds from the sale of bonds will be used for constructing and improving streets and roads, bridges and intersections, library construction, fire department equipment, refund 2011 GO bonds and to pay the costs of issuance associated with the sale of the bonds.

Additional information regarding the City's outstanding debt can be found in Note 8 beginning on page 62.

The City's assigned ratings for general obligation bonds and certificates of obligation bonds were as follows during FY 2021:

	Standard & Poor's Corporation	Moody's Investor Services
General Obligation Bonds	AAA	Aaa
Certificates of Obligation Bonds	AAA	Aaa

This rating has been assigned to the City's tax-supported debt. The City is permitted by state law and provisions to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of general obligation debt to assessed value of all taxable property is 1.71%. In August 2020, the City's assigned ratings for general obligation bonds and certificates of obligation bonds were affirmed by Moody's at Aaa and by Standard & Poor's at AAA.

Authorized bonds remain unissued from the 2006 Election, the 2015 Election and the 2019 Election.

Authorized but Unissued Debt
September 30, 2021

Election May 13, 2006	Voted Bonds	Issued Prior Years	Issued FY 2021	Unissued Balance
Branch Library (Prop. 5)	$ 8,000,000	$ -	$ -	$ 8,000,000
Senior Center (Prop. 7)	2,500,000	-	-	2,500,000
Community Cultural Arts (Prop. 8)	5,000,000	3,000,000	-	2,000,000
Grand Park (Prop.12)	22,500,000	12,000,000	-	10,500,000
Remaining	38,000,000	15,000,000	-	23,000,000
Election May 9, 2015				
City Hall Expansion (Prop. 4)	37,000,000	15,000,000	-	22,000,000
Grand Park (Prop. 7)	10,000,000	-	-	10,000,000
Community Cultural Arts (Prop. 8)	10,000,000	-	-	10,000,000
Remaining	57,000,000	15,000,000	-	42,000,000
Election May 4, 2019				
Public Safety (Prop. A)	62,500,000	18,000,000	8,000,000	36,500,000
Street Improvements (Prop. B)	155,000,000	60,000,000	15,000,000	80,000,000
Public Works & Technology (Prop. C)	12,000,000	4,000,000	8,000,000	-
Library (Prop. D)	62,000,000	7,000,000	55,000,000	-
Parks, Trails and Rec Facilities (Prop. E)	53,500,000	-	-	53,500,000
Remaining	345,000,000	89,000,000	86,000,000	170,000,000
Total Authorized/Unissued Bonds	$ 440,000,000	$ 119,000,000	$ 86,000,000	$ 235,000,000

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2022 budget appropriation, tax rates, and fees that will be charged for the business-type activities.

Current economic indicators were considered when adopting the General Fund budget for FY 2022. The combined budget appropriation totaled $198.6 million. This represents an increase of $13.3 million from the FY 2021 revised budgets.

The General Fund's largest revenue source is property tax receipts. Ad valorem tax revenue is determined by two major factors: the total assessed value established by the Central Appraisal District of Collin County and Central Appraisal District of Denton County, and the tax rate established by the Frisco City Council. For the new fiscal year, we saw gains in new improvements of 4.58%, and a gain on existing property of 4.10%. According to final figures received from the CADs, the total certified assessed property value for FY 2022 is $36.6 billion. Council approved a tax rate of $0.4466 per $100 of valuation, the same as the FY 2021 tax rate of $0.4466. Council maintained the homestead tax exemption for FY 2022 for a total of 10.0%.

As for the City's business-type activities, City projections indicate that the water and sewer fund unrestricted net position will be approximately $62.9 million. A fee increase for water sales and sewer services was approved and effective in January 2022. Appropriations are to be used for

capital projects in the utility construction projects fund, operating expenses, as well as bond interest and fiscal charges.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT STAFF

This financial report is designed to provide our residents, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Department at 6101 Frisco Square Boulevard, 4th Floor Finance Office, Frisco, Texas 75034. The Finance Department also presents the *Citizen's Annual Financial Report*, a condensed version of the financial position presented in the ACFR, online at the City's website www.friscotexas.gov.

BASIC FINANCIAL STATEMENTS

FRISCO
PROGRESS IN MOTION

City of Frisco
Statement of Net Position
September 30, 2021

	Primary Government			
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**	**Component Units**
Cash and cash equivalents	$ 252,337,177	$ 45,673,614	$ 298,010,791	$ 24,606,406
Investments	186,281,049	25,500,944	211,781,993	61,082,009
Receivables (net of allowance for uncollectibles)	22,046,905	17,590,513	39,637,418	10,031,498
Inventories	2,404,548	1,102,881	3,507,429	-
Prepaids	820,356	86,176	906,532	-
Notes receivable	2,975,000	-	2,975,000	49,111
Restricted assets:				
Cash and cash equivalents	33,223,710	43,588,589	76,812,299	2,219,840
Investments	38,354,050	69,347,735	107,701,785	5,800,000
Notes receivable - noncurrent	17,218,000	-	17,218,000	40,000
Expected recoveries receivable	-	-	-	25,000,000
Land held for resale	-	-	-	69,368,286
Capital assets:				
Land	353,814,065	10,672,022	364,486,087	85,788,479
Buildings and improvements	724,762,840	10,178,723	734,941,563	4,337,359
Improvements other than buildings	1,436,161,132	651,275,716	2,087,436,848	18,920,290
Machinery and equipment	98,561,946	12,285,934	110,847,880	347,608
Construction in progress	100,379,780	17,074,135	117,453,915	-
Accumulated depreciation	(884,442,326)	(238,784,797)	(1,123,227,123)	(21,323,464)
Total assets	2,384,898,232	665,592,185	3,050,490,417	286,267,422
DEFERRED OUTFLOWS OF RESOURCES				
Pension items	12,386,723	2,068,254	14,454,977	295,000
OPEB items	1,449,006	221,612	1,670,618	34,094
Deferred charge on bond refunding	8,866,943	1,932,687	10,799,630	470,557
Total deferred outflows of resources	22,702,672	4,222,553	26,925,225	799,651
LIABILITIES				
Accounts and retainage payable	27,317,657	4,191,230	31,508,887	7,826,297
Accrued liabilities	2,459,191	965,743	3,424,934	65,335
Accrued interest payable	3,679,906	777,753	4,457,659	550,416
Customer deposits	-	4,838,326	4,838,326	-
Unearned revenue	14,365,099	-	14,365,099	5,000
Monies held in escrow	16,702,753	97,486	16,800,239	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences	8,565,206	1,338,908	9,904,114	125,058
Notes payable	-	-	-	10,681,252
Bonds payable	62,854,173	14,480,426	77,334,599	5,661,648
Due in more than one year:				
Compensated absences	15,696,998	1,722,280	17,419,278	95,762
Pensions	28,400,076	4,789,872	33,189,948	677,346
OPEB	3,970,584	650,611	4,621,195	94,310
Pollution remediation obligations	-	-	-	29,000,000
Notes payable	-	-	-	16,968,139
Bonds payable	674,258,914	147,745,709	822,004,623	85,154,044
Total liabilities	858,270,557	181,598,344	1,039,868,901	156,904,607
DEFERRED INFLOWS OF RESOURCES				
Pension items	9,044,117	1,485,371	10,529,488	214,888
OPEB items	3,278,366	501,397	3,779,763	77,138
Total deferred inflows of resources	12,322,483	1,986,768	14,309,251	292,026
NET POSITION				
Net investment in capital assets	1,377,424,378	367,819,577	1,745,243,955	46,349,409
Restricted for:				
Capital projects	70,729,110	45,397,680	116,126,790	-
Tax increment reinvestment zones	8,325,473	-	8,325,473	-
Other purposes	4,463,094	-	4,463,094	-
Debt service	46,807	-	46,807	7,469,424
Community development	-	-	-	42,043,866
Economic development	-	-	-	34,007,741
Unrestricted	76,019,002	73,012,369	149,031,371	-
Total net position	$ 1,537,007,864	$ 486,229,626	$2,023,237,490	$ 129,870,440

The notes to the basic financial statements are an integral part of this statement.

City of Frisco
Statement of Activities
For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	$ 92,795,035	$ 10,981,423	$ 5,367,397	$ -
Public safety	106,713,823	14,566,360	8,649,414	188,329
Public works	62,311,511	101,817	819,842	28,690,354
Culture and recreation	32,772,532	4,077,423	2,104,777	1,628,175
Interest on long-term debt	22,093,367	-	-	-
Total governmental activities	316,686,268	29,727,023	16,941,430	30,506,858
Business-type activities:				
Water and sewer	107,973,934	106,735,274	-	23,139,862
Stormwater drainage	2,661,022	5,043,854	-	-
Environmental services	23,571,841	20,703,901	93,984	-
Total business-type activities	134,206,797	132,483,029	93,984	23,139,862
Total primary government	$ 450,893,065	$ 162,210,052	$ 17,035,414	$ 53,646,720
Component units:				
Community development	$ 54,138,812	$ 387,208	$ 25,000,000	$ -
Economic development	21,775,371	6,000	43,823	-
Charitable foundation	48,228	-	47,009	-
Total component units	$ 75,962,411	$ 393,208	$ 25,090,832	$ -
General revenues:				
Ad valorem taxes				
Sales taxes				
Franchise taxes				
Other taxes				
Ad valorem tax for TIRZ funds, intergovernmental revenues				
Investment earnings				
Transfers				
Total general revenues				
Change in net position				
Net position, beginning				
Net position, ending				

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (76,446,215)	$ -	$ (76,446,215)	
(83,309,720)	-	(83,309,720)	
(32,699,498)	-	(32,699,498)	
(24,962,157)	-	(24,962,157)	
(22,093,367)	-	(22,093,367)	
(239,510,957)	-	(239,510,957)	
-	21,901,202	21,901,202	
-	2,382,832	2,382,832	
-	(2,773,956)	(2,773,956)	
-	21,510,078	21,510,078	
(239,510,957)	21,510,078	(218,000,879)	
			$ (28,751,604)
			(21,725,548)
			(1,219)
			(50,478,371)
150,882,839	-	150,882,839	-
54,984,501	-	54,984,501	54,984,502
10,031,878	-	10,031,878	-
5,910,603	-	5,910,603	-
39,058,316	2,283,546	41,341,862	12,042,560
432,149	140,776	572,925	78,414
2,591,119	(2,591,119)	-	-
263,891,405	(166,797)	263,724,608	67,105,476
24,380,448	21,343,281	45,723,729	16,627,105
1,512,627,416	464,886,345	1,977,513,761	113,243,335
$ 1,537,007,864	$ 486,229,626	$ 2,023,237,490	$ 129,870,440

City of Frisco
Balance Sheet
Governmental Funds
September 30, 2021

	General	TIRZ #1	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 27,867,812	$ 10,393,985	$ 213,627,700	$ 3,282,077	$ 30,389,313	$ 285,560,887
Investments	99,411,315	-	86,869,734	-	38,354,050	224,635,099
Receivables (net of allowance for uncollectibles):						
Property taxes	822,906	-	-	444,636	-	1,267,542
Sales taxes	9,888,010	-	-	-	-	9,888,010
Franchise taxes	5,209,562	-	-	-	67,540	5,277,102
Occupancy tax	-	-	-	-	497,799	497,799
Grants	-	-	-	-	1,700,343	1,700,343
Assessments	-	-	-	-	334,914	334,914
Other	1,166,839	1,474,833	206,194	-	118,815	2,966,681
Due from other funds	1,543,197	-	-	-	-	1,543,197
Inventories	2,404,548	-	-	-	-	2,404,548
Prepaids	560,443	-	-	-	259,913	820,356
Notes receivable	140,000	-	373,000	-	-	513,000
Total assets	$ 149,014,632	$ 11,868,818	$ 301,076,628	$ 3,726,713	$ 71,722,687	$ 537,409,478
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, FUND BALANCES						
Liabilities:						
Accounts payable	14,997,408	26,676	9,794,821	-	116,928	24,935,833
Retainage payable	-	-	2,381,824	-	-	2,381,824
Accrued liabilities	2,389,523	-	-	-	69,668	2,459,191
Unearned revenue	813,045	2,322,762	-	-	11,229,292	14,365,099
Monies held in escrow	50,463	1,691,152	14,509,627	-	451,511	16,702,753
Due to other funds	-	-	-	-	1,543,197	1,543,197
Total liabilities	18,250,439	4,040,590	26,686,272	-	13,410,596	62,387,897
Deferred inflows of resources:						
Unavailable revenue	4,749,131	-	373,000	393,332	-	5,515,463
FUND BALANCES						
Nonspendable	2,964,991	-	-	-	259,913	3,224,904
Restricted for:						
Debt service	-	-	-	3,333,381	-	3,333,381
Capital projects for future construction:						
Roads & traffic systems	-	-	137,008,678	-	32,026,386	169,035,064
Facilities	-	-	109,606,942	-	-	109,606,942
Parks	-	-	27,401,736	-	21,065,453	48,467,189
Special revenue for future commitments:						
Tax increment reinvestment zones	-	7,828,228	-	-	497,245	8,325,473
Hotel/motel	-	-	-	-	2,925,930	2,925,930
Panther Creek PID	-	-	-	-	8,228	8,228
Traffic control enforcement	-	-	-	-	95,515	95,515
Court fees	-	-	-	-	165,926	165,926
PEG Cable	-	-	-	-	1,267,495	1,267,495
Committed to:						
Insurance	21,960,865	-	-	-	-	21,960,865
Workforce housing	380,678	-	-	-	-	380,678
Capital projects for future construction	13,266,320	-	-	-	-	13,266,320
Assigned to:						
Equipment and deferred maintenance	20,000,000	-	-	-	-	20,000,000
Infrastructue	4,000,000	-	-	-	-	4,000,000
Unassigned	63,442,208	-	-	-	-	63,442,208
Total fund balances	126,015,062	7,828,228	274,017,356	3,333,381	58,312,091	469,506,118
Total liabilities, deferred inflows of resources, and fund balances	$ 149,014,632	$ 11,868,818	$ 301,076,628	$ 3,726,713	$ 71,722,687	$ 537,409,478

The notes to the basic financial statements are an integral part of this statement.

City of Frisco
Reconciliation of the Balance Sheet of the
Governmental Funds to the Statement of Net Position
September 30, 2021

Total fund balances per balance sheet	$ 469,506,118
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported at the fund level.	1,829,237,437
Deferred outflows of resources related to pensions, OPEB and deferred amounts on bond refundings are not financial resources and, therefore, are not reported at the fund level.	22,702,672
Other long-term assets are not available to pay for current-period expenditures, and, therefore, are unavailable at the fund level.	5,515,463
Other assets are not available to pay for current-period expenditures, and, therefore, are not included at the fund level.	19,794,514
Long-term liabilities, including bonds payable, pension liabilities, OPEB, compensated absences, and accrued interest payable are not due and payable in the current period and, therefore, are not reported at the fund level.	(797,425,857)
Deferred inflows of resources related to pensions and OPEB are not financial resources and, therefore, are not reported at the fund level.	(12,322,483)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 1,537,007,864

The notes to the basic financial statements are an integral part of this statement.

City of Frisco

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2021

	General	TIRZ #1	Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	$ 94,897,851	$ 7,889,629	$ -	$ 46,517,078	$ 1,194,919	$ 150,499,477
Sales	54,704,565	-	-	-	279,936	54,984,501
Franchise	9,928,056	-	-	-	280,457	10,208,513
Hotel/motel	-	-	-	-	4,716,757	4,716,757
Other	1,193,846	-	-	-	-	1,193,846
Licenses and permits	11,400,651	-	-	-	-	11,400,651
Intergovernmental	2,993,462	27,042,572	-	-	1,951,607	31,987,641
Charges for services	7,937,360	-	1,055,434	-	120	8,992,914
Fines	1,348,701	-	-	-	104,343	1,453,044
Special assessments	-	-	-	-	4,636,136	4,636,136
Rents	2,686,349	4,925,512	-	-	10,000	7,621,861
Investment earnings	182,809	5,011	145,516	5,477	112,771	451,584
Contributions, donations and grants	197,039	50,913	2,345,380	-	11,426,611	14,019,943
Payments from component units	2,000,000	5,283,710	749,717	1,982,316	2,000,000	12,015,743
Miscellaneous	-	-	317,690	-	10,118	327,808
Total revenues	189,470,689	45,197,347	4,613,737	48,504,871	26,723,775	314,510,419
EXPENDITURES						
General government	43,163,081	22,748,562	804,312	-	5,350,844	72,066,799
Public safety	87,656,573	-	-	-	6,077,848	93,734,421
Public works	14,358,440	-	-	-	330,920	14,689,360
Culture and recreation	19,976,245	-	-	-	4,084,600	24,060,845
Capital outlay (includes $2,671,495 not capitalized)	4,130,178	-	59,151,370	-	193,652	63,475,200
Debt service:						
Principal retirement	-	-	-	49,710,000	-	49,710,000
Interest and fiscal charges	-	-	265,670	27,841,002	-	28,106,672
Total expenditures	169,284,517	22,748,562	60,221,352	77,551,002	16,037,864	345,843,297
Excess (Deficiency) of revenues over (under) expenditures	20,186,172	22,448,785	(55,607,615)	(29,046,131)	10,685,911	(31,332,878)
OTHER FINANCING SOURCES (USES)						
Proceeds from issuance of debt	-	-	75,925,738	14,024,262	-	89,950,000
Premium on bonds issued	-	-	10,337,132	1,731,493	-	12,068,625
Payment to refunded debt escrow agent	-	-	-	(15,620,165)	-	(15,620,165)
Proceeds from sale of assets	408,189	-	70,000	-	-	478,189
Transfers in	1,132,793	1,718,778	15,317,482	26,864,756	741,918	45,775,727
Transfers out	(1,083,759)	(24,352,606)	-	-	(17,748,243)	(43,184,608)
Total other financing sources and uses	457,223	(22,633,828)	101,650,352	27,000,346	(17,006,325)	89,467,768
Net change in fund balances	20,643,395	(185,043)	46,042,737	(2,045,785)	(6,320,414)	58,134,890
Fund balances, beginning	105,371,667	8,013,271	227,974,619	5,379,166	64,632,505	411,371,228
Fund balances, ending	$126,015,062	$ 7,828,228	$274,017,356	$ 3,333,381	$ 58,312,091	$ 469,506,118

The notes to the basic financial statements are an integral part of this statement.

City of Frisco

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2021

Net change in fund balances - total governmental funds	$	58,134,890
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay and developer's contributions exceeded depreciation in the current period.		4,032,632
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		197,418
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(30,576,033)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(7,408,459)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	24,380,448

The notes to the basic financial statements are an integral part of this statement.

City of Frisco

General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Property	$ 95,640,234	$ 95,640,234	$ 94,897,851	$ -	$ 94,897,851	$ (742,383)
Sales	44,101,125	51,000,000	54,704,565	-	54,704,565	3,704,565
Franchise	9,627,538	9,546,538	9,928,056	-	9,928,056	381,518
Other	948,081	1,029,081	1,193,846	-	1,193,846	164,765
Licenses and permits	11,469,141	11,214,435	11,400,651	-	11,400,651	186,216
Intergovernmental	2,249,741	2,604,248	2,993,462	-	2,993,462	389,214
Charges for services	7,820,088	6,333,934	7,937,360	-	7,937,360	1,603,426
Fines	2,026,576	1,226,076	1,348,701	-	1,348,701	122,625
Rents	2,709,509	2,741,509	2,686,349	-	2,686,349	(55,160)
Investment earnings	1,425,400	267,275	182,809	-	182,809	(84,466)
Contributions, donations and grants	132,760	112,198	197,039	-	197,039	84,841
Payments from component units	250,000	2,000,000	2,000,000	-	2,000,000	-
Miscellaneous	331,440	86,440	-	-	-	(86,440)
Total revenues	178,731,633	183,801,968	189,470,689	-	189,470,689	5,668,721
EXPENDITURES						
Current:						
General government	47,164,490	46,251,659	43,163,081	139,946	43,303,027	2,948,632
Public safety	93,214,541	92,271,764	87,656,573	(183,997)	87,472,576	4,799,188
Public works	14,080,059	15,223,566	14,358,440	11,388	14,369,828	853,738
Culture and recreation	22,593,292	22,359,951	19,976,245	61,132	20,037,377	2,322,574
Capital outlay	6,330,509	7,271,641	4,130,178	1,491,515	5,621,693	1,649,948
Total expenditures	183,382,891	183,378,581	169,284,517	1,519,984	170,804,501	12,574,080
Excess (Deficiency) of revenues over (under) expenditures	(4,651,258)	423,387	20,186,172	(1,519,984)	18,666,188	18,242,801
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of assets	-	214,538	408,189	-	408,189	193,651
Transfers in	2,882,795	1,132,795	1,132,793	-	1,132,793	(2)
Transfers out	(1,400,068)	(1,887,181)	(1,083,759)	-	(1,083,759)	803,422
Total other financing sources and uses	1,482,727	(539,848)	457,223	-	457,223	997,071
Net change in fund balances	(3,168,531)	(116,461)	20,643,395	(1,519,984)	19,123,411	19,239,872
Fund balances, beginning	93,494,444	105,371,667	105,371,667	(2,275,329)	103,096,338	(2,275,329)
Fund balances, ending	$ 90,325,913	$ 105,255,206	$ 126,015,062	$ (3,795,313)	$ 122,219,749	$ 16,964,543

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses from GAAP Basis to Budgetary Basis
For Fiscal Year Ended September 30, 2021

	Net Change in Fund Balance
GAAP basis	$ 20,643,395
Expenditures:	
Increase due to encumbrances from prior year	2,275,329
Decrease due to encumbrances for current year	(3,795,313)
Budgetary basis	$ 19,123,411

The notes to the basic financial statements are an integral part of this statement.

City of Frisco

TIRZ #1 Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Property	8,987,399	8,190,723	7,889,629	-	7,889,629	(301,094)
Intergovernmental	31,383,102	27,042,574	27,042,572	-	27,042,572	(2)
Rents	4,962,321	4,962,321	4,925,512	-	4,925,512	(36,809)
Investment earnings	48,000	4,700	5,011	-	5,011	311
Contributions, donations and grants	-	-	50,913	-	50,913	50,913
Payments from component units	5,289,723	5,283,711	5,283,710	-	5,283,710	(1)
Total revenues	50,670,545	45,484,029	45,197,347	-	45,197,347	(286,682)
EXPENDITURES						
Current:						
General government	27,490,468	22,707,312	22,748,562	-	22,748,562	(41,250)
Total expenditures	27,490,468	22,707,312	22,748,562	-	22,748,562	(41,250)
Excess (Deficiency) of revenues over (under) expenditures	23,180,077	22,776,717	22,448,785	-	22,448,785	(327,932)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,687,306	1,718,778	1,718,778	-	1,718,778	-
Transfers out	(24,235,120)	(24,352,606)	(24,352,606)	-	(24,352,606)	-
Total other financing sources and uses	(22,547,814)	(22,633,828)	(22,633,828)	-	(22,633,828)	-
Net change in fund balances	632,263	142,889	(185,043)	-	(185,043)	(327,932)
Fund balances, beginning	5,306,530	8,013,271	8,013,271	-	8,013,271	-
Fund balances, ending	$ 5,938,793	$ 8,156,160	$ 7,828,228	$ -	$ 7,828,228	$ (327,932)

The notes to the basic financial statements are an integral part of this statement.

City of Frisco
Statement of Net Position
Proprietary Funds
September 30, 2021

	Business-type Activities Enterprise Funds		
	Water and Sewer	Other Enterprise Funds	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	$ 35,804,601	$ 9,869,013	$ 45,673,614
Investments	25,000,788	500,156	25,500,944
Receivables: (net of allowances for uncollectibles)			
Utility bills	16,133,390	-	16,133,390
Other	1,263,216	193,907	1,457,123
Inventories	1,102,881	-	1,102,881
Prepaids	86,176	-	86,176
Restricted cash and cash equivalents	43,588,589	-	43,588,589
Restricted investments	69,347,735	-	69,347,735
Total current assets	192,327,376	10,563,076	202,890,452
Noncurrent assets:			
Capital assets:			
Land	10,672,022	-	10,672,022
Buildings and improvements	10,030,981	147,742	10,178,723
Improvements other than buildings	651,183,526	92,190	651,275,716
Machinery and equipment	9,807,249	2,478,685	12,285,934
Construction in progress	17,074,135	-	17,074,135
Accumulated depreciation	(237,199,169)	(1,585,628)	(238,784,797)
Total capital assets (net of accumulated depreciation)	461,568,744	1,132,989	462,701,733
Total noncurrent assets	461,568,744	1,132,989	462,701,733
Total assets	653,896,120	11,696,065	665,592,185
DEFERRED OUTFLOWS OF RESOURCES			
Pension items	1,773,254	295,000	2,068,254
OPEB items	187,518	34,094	221,612
Deferred charge on bond refunding	1,932,687	-	1,932,687
Total deferred outflows of resources	3,893,459	329,094	4,222,553

The notes to the basic financial statements are an integral part of this statement.

	Business-type Activities Enterprise Funds		
	Water and Sewer	Other Enterprise Funds	Totals
LIABILITIES			
Current liabilities:			
Accounts payable	$ 3,021,600	$ 1,169,630	$ 4,191,230
Accrued liabilities	808,649	157,094	965,743
Accrued interest payable	777,753	-	777,753
Customer deposits payable	4,838,326	-	4,838,326
Monies held in escrow	-	97,486	97,486
Compensated absences	1,105,510	233,398	1,338,908
Bonds payable	14,480,426	-	14,480,426
Total current liabilities	25,032,264	1,657,608	26,689,872
Noncurrent liabilities:			
Compensated absences	1,442,791	279,489	1,722,280
Pensions	4,112,526	677,346	4,789,872
OPEB	556,301	94,310	650,611
Bonds payable	147,745,709	-	147,745,709
Total noncurrent liabilities	153,857,327	1,051,145	154,908,472
Total liabilities	178,889,591	2,708,753	181,598,344
DEFERRED INFLOWS OF RESOURCES			
Pension items	1,270,481	214,890	1,485,371
OPEB items	424,259	77,138	501,397
Total deferred inflows of resources	1,694,740	292,028	1,986,768
NET POSITION			
Net investment in capital assets	366,686,588	1,132,989	367,819,577
Restricted for:			
Capital projects	45,397,680	-	45,397,680
Unrestricted	65,120,980	7,891,389	73,012,369
Total net position	$ 477,205,248	$ 9,024,378	$ 486,229,626

FRISCO
PROGRESS IN MOTION

City of Frisco
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2021

	Business-type Activities Enterprise Funds		
	Water and Sewer	Other Enterprise Funds	Totals
OPERATING REVENUES			
Charges for sales and services:			
Water	$ 57,539,543	$ -	$ 57,539,543
Sewer charges	43,176,093	-	43,176,093
Service charges	2,175,454	-	2,175,454
Sanitation charges	-	20,610,607	20,610,607
Water and sewer connections	1,576,860	-	1,576,860
Inspection fees	2,162,892	-	2,162,892
Stormwater drainage fees	-	4,996,754	4,996,754
Miscellaneous	27,908	93,294	121,202
Total operating revenues	106,658,750	25,700,655	132,359,405
OPERATING EXPENSES			
Cost of sales and services	60,099,380	17,290,095	77,389,475
Administration	24,098,495	8,682,915	32,781,410
Depreciation	20,437,235	259,853	20,697,088
Total operating expenses	104,635,110	26,232,863	130,867,973
Operating income (loss)	2,023,640	(532,208)	1,491,432
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	133,828	6,948	140,776
Intergovernmental contribution	2,283,546	-	2,283,546
Contributions and grants	-	93,984	93,984
Gain on sale of equipment	76,524	47,100	123,624
Interest expense	(3,338,824)	-	(3,338,824)
Total nonoperating revenues	(844,926)	148,032	(696,894)
Income (loss) before capital contributions	1,178,714	(384,176)	794,538
CAPITAL CONTRIBUTIONS			
Capital contributions	23,139,862	-	23,139,862
Income (loss) before transfers	24,318,576	(384,176)	23,934,400
TRANSFERS			
Transfers in	400,982	-	400,982
Transfers out	-	(2,992,101)	(2,992,101)
Total transfers	400,982	(2,992,101)	(2,591,119)
Change in net position	24,719,558	(3,376,277)	21,343,281
Net position, beginning	452,485,690	12,400,655	464,886,345
Net position, ending	$ 477,205,248	$ 9,024,378	$486,229,626

The notes to the basic financial statements are an integral part of this statement.

City of Frisco
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2021

	Business-type Activities Enterprise Funds		
	Water and Sewer	Other Enterprise Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 103,342,951	$ 25,600,908	$ 128,943,859
Cash payments to suppliers for goods and services	(68,064,868)	(22,463,357)	(90,528,225)
Cash payments to employees for services	(16,132,793)	(3,108,899)	(19,241,692)
Other receipts	27,908	93,294	121,202
Net cash provided by operating activities	19,173,198	121,946	19,295,144
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers received from other funds	2,318,554	-	2,318,554
Transfers made to other funds	-	(1,286,349)	(1,286,349)
Contributions	865,974	93,985	959,959
Net cash provided (used) by noncapital financing activities	3,184,528	(1,192,364)	1,992,164
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(7,769,031)	(254,503)	(8,023,534)
Proceeds from sale or transfer of equipment	81,404	47,100	128,504
Principal paid on long-term debt	(12,815,000)	-	(12,815,000)
Interest and fees paid on long-term debt	(6,253,070)	-	(6,253,070)
Bond proceeds net of issuance costs	23,221,028	-	23,221,028
Intergovernmental payments for capital construction	-	(1,705,752)	(1,705,752)
Developers contributions	10,862,267	-	10,862,267
Net cash provided (used) in capital and related financing activities	7,327,598	(1,913,155)	5,414,443
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities	(94,348,522)	(500,155)	(94,848,677)
Proceeds from sale and maturities of investment securities	57,883,701	4,820,015	62,703,716
Interest on investments	310,037	19,542	329,579
Net cash provided (used) by investing activities	(36,154,784)	4,339,402	(31,815,382)
Net increase (decrease) in cash and cash equivalents	(6,469,460)	1,355,829	(5,113,631)
Cash and cash equivalents, beginning	85,862,650	8,513,184	94,375,834
Cash and cash equivalents, ending	$ 79,393,190	$ 9,869,013	$ 89,262,203
CLASSIFIED AS			
Current assets	$ 35,804,601	$ 9,869,013	$ 45,673,614
Restricted assets	43,588,589	-	43,588,589
Total cash and cash equivalents	$ 79,393,190	$ 9,869,013	$ 89,262,203

The notes to the basic financial statements are an integral part of this statement.

	Business-type Activities Enterprise Funds		
	Water and Sewer	Other Enterprise Funds	Totals
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	$ 2,023,640	$ (532,208)	$ 1,491,432
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	20,437,235	259,853	20,697,088
Change in assets and liabilities:			
(Increase) decrease in-			
Receivables - utility bills	(3,542,496)	(6,452)	(3,548,948)
Receivables - other	422,621	230,793	653,414
Prepaid expenses and other assets	6,487	-	6,487
Inventories	(81,955)	-	(81,955)
Pension deferred outflow of resources	35,835	6,516	42,351
OPEB deferred outflow of resources	(37,322)	(9,062)	(46,384)
Increase (decrease) in-			
Accounts payable	(1,059,623)	(7,767)	(1,067,390)
Accrued liabilities	64,106	16,066	80,172
Liability for compensated absences	974,489	215,191	1,189,680
Pension deferred inflow of resources	207,276	37,686	244,962
OPEB deferred inflow of resources	(103,888)	(10,886)	(114,774)
Net pension liability	(532,956)	(96,902)	(629,858)
OPEB liability	105,143	19,118	124,261
Deposits and escrows	254,606	-	254,606
Total adjustments	17,149,558	654,154	17,803,712
Net cash provided by operating activities	$ 19,173,198	$ 121,946	$ 19,295,144

SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

During the year, various developers made noncash contributions of water and sewer infrastructure to the City valued at $11,777,595.

Accounts Payable and Retainage Payable related to capital assets totaled $2,127,352

In January 2021, general obligation bonds were issued for the water and sewer fund to refund debt issued in 2011. The new debt of $1,480,000 defeased $1,494,980 of outstanding principal and related premiums and deferred costs.

The notes to the basic financial statements are an integral part of this statement.

FRISCO
PROGRESS IN MOTION

City of Frisco
Combining Statement of Net Position
Component Units
September 30, 2021

	Community Development Corporation	Economic Development Corporation	Charitable Foundation	Totals
ASSETS				
Current:				
Cash and cash equivalents	$ 13,636,417	$ 10,956,719	$ 13,270	$ 24,606,406
Investments	31,125,540	29,956,469	-	61,082,009
Receivables:				
Sales tax	4,944,005	4,944,005	-	9,888,010
Other	55,806	87,682	-	143,488
Notes receivable	-	49,111	-	49,111
Total current assets	49,761,768	45,993,986	13,270	95,769,024
Noncurrent:				
Notes receivable	40,000	-	-	40,000
Expected recoveries receivable	25,000,000	-	-	25,000,000
Land held for resale	33,316,565	36,051,721	-	69,368,286
Capital assets:				
Land	69,650,678	16,137,801	-	85,788,479
Buildings and improvements	4,276,396	60,963	-	4,337,359
Improvements other than buildings	18,920,290	-	-	18,920,290
Machinery and equipment	118,213	229,395	-	347,608
Accumulated depreciation	(21,065,354)	(258,110)	-	(21,323,464)
Restricted assets:				
Cash and cash equivalents	960,179	1,259,661	-	2,219,840
Investments	2,000,000	3,800,000	-	5,800,000
Total noncurrent assets	133,216,967	57,281,431	-	190,498,398
Total assets	182,978,735	103,275,417	13,270	286,267,422
DEFERRED OUTFLOWS OF RESOURCES				
Pension items	-	295,000	-	295,000
OPEB items	-	34,094	-	34,094
Deferred charge on bond refunding	470,557	-	-	470,557
Total deferred outflows of resources	470,557	329,094	-	799,651
LIABILITIES				
Current:				
Accounts payable	1,062,718	6,763,579	-	7,826,297
Accrued liabilities	17,853	47,482	-	65,335
Compensated absences	26,464	98,594	-	125,058
Accrued interest payable	381,074	169,342	-	550,416
Unearned revenue	5,000	-	-	5,000
Notes payable	10,681,252	-	-	10,681,252
Bonds payable	3,196,648	2,465,000	-	5,661,648
Total current liabilities	15,371,009	9,543,997	-	24,915,006
Noncurrent:				
Compensated absences	15,025	80,737	-	95,762
Pensions	-	677,346	-	677,346
OPEB	-	94,310	-	94,310
Pollution remediation obligations	29,000,000	-	-	29,000,000
Notes payable	16,968,139	-	-	16,968,139
Bonds payable	51,224,044	33,930,000	-	85,154,044
Total noncurrent liabilities	97,207,208	34,782,393	-	131,989,601
Total liabilities	112,578,217	44,326,390	-	156,904,607
DEFERRED INFLOWS OF RESOURCES				
Pension items	-	214,888	-	214,888
OPEB items	-	77,138	-	77,138
Total deferred inflows of resources	-	292,026	-	292,026
NET POSITION				
Net investment in capital assets	26,261,374	20,088,035	-	46,349,409
Restricted for debt service reserve	2,579,105	4,890,319	-	7,469,424
Restricted for community development	42,030,596	-	13,270	42,043,866
Restricted for economic development	-	34,007,741	-	34,007,741
Total net position	$ 70,871,075	$ 58,986,095	$ 13,270	$ 129,870,440

The notes to the basic financial statements are an integral part of this statement.

City of Frisco
Combining Statement of Activities
Component Units
For the Year Ended September 30, 2021

Functions/Programs:	Expenses	Program Revenues: Charges for Service	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Component units:				
Community Development Corporation	$ 54,138,812	$ 387,208	$ 25,000,000	$ -
Economic Development Corporation	21,775,371	6,000	43,823	-
Charitable Foundation	48,228	-	47,009	-
Total component units	75,962,411	393,208	25,090,832	-
General revenues:				
Sales taxes				
Intergovernmental				
Investment income				
Total general revenues				
Change in net position				
Net position, beginning				
Net position, ending				

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position Component Units			
Community Development Corporation	Economic Development Corporation	Charitable Foundation	Totals
$ (28,751,604)	$ -	$ -	$ (28,751,604)
-	(21,725,548)	-	(21,725,548)
-	-	(1,219)	(1,219)
(28,751,604)	(21,725,548)	(1,219)	(50,478,371)
27,492,251	27,492,251	-	54,984,502
12,042,560	-	-	12,042,560
34,677	43,734	3	78,414
39,569,488	27,535,985	3	67,105,476
10,817,884	5,810,437	(1,216)	16,627,105
60,053,191	53,175,658	14,486	113,243,335
$ 70,871,075	$ 58,986,095	$ 13,270	$ 129,870,440

Note 1. Summary of Significant Accounting Policies

The City of Frisco, Texas (City) was originally incorporated in 1908 and chartered on April 4, 1987, and is a municipal corporation incorporated under provisions of H.B. 901 of the Texas Legislature. The City operates under a Council-Manager form of government and provides such services as authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the City and its residents.

The financial statements of the City have been prepared to conform with accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies and practices used by the City are described below.

A. Financial Statement Presentation

The basic financial statements are prepared in conformity with GASB Statement No. 34, which requires government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component units on the statement of net position and statement of activities. Significantly, the City's statement of net position includes both noncurrent assets and noncurrent liabilities of the City. The government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements. Governmental fund financial statements use the modified accrual basis of accounting and the current financial resources measurement focus. The proprietary fund type financial statements are prepared using the accrual basis of accounting. Statement No. 34 requires supplementary information in Management's Discussion and Analysis, which includes an analytical overview of the City's financial activities. Also, a budgetary comparison statement is presented that compares the adopted and revised budgets for the General Fund and its major special revenue fund (TIRZ #1) with actual results.

B. Reporting Entity

The City is governed by an elected mayor and a six-member council. As required by GAAP, these financial statements present the City (the primary government) and the entities for which the City is considered to be financially accountable (component units). Discretely presented component units are reported in a separate column in the basic financial statements in order to emphasize that they are legally separate from the City.

The Frisco Economic Development Corporation (FEDC) serves all citizens of the City. Although legally separate from the City, the City Council appoints all members of its governing board. The FEDC provides marketing and economic development services to the City, and the City provides for custody and investment of FEDC assets, various administrative/personnel/legal services, and the majority of funding for the FEDC budget. The FEDC is presented as a discretely presented component unit.

The Frisco Community Development Corporation (FCDC) serves all citizens of the City. Although legally separate from the City, the City Council appoints all members of its governing board. The primary government can impose its will with the potential for financial benefit to the FCDC. The FCDC benefits the City and its citizens by developing resources to address recreational, cultural arts, senior citizen, and other related community development needs and the City provides for custody and investment of FCDC assets, various administrative services, and the majority of funding for the FCDC budget. The FCDC is presented as a discretely presented component unit.

The City of Frisco Charitable Foundation (CFCF) serves all citizens of the City. Although legally separate from the City, the City Council appoints all members of its governing board. The primary government can impose its will and the potential for financial benefit to the CFCF. The CFCF benefits the City and its citizens by developing resources to address recreational, cultural arts, senior citizen, and other related community development needs. The Foundation was established during fiscal year 2006 and is presented as a discretely presented component unit.

The FEDC, FCDC, and CFCF do not prepare separate financial statements. The financial statements of the City are formatted to allow the user to clearly distinguish between the primary government and its discretely presented component units.

C. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of any interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (General Government, Public Safety, Public Works, and Culture/Recreation) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function) is normally covered by general revenue (property taxes, sales taxes, franchise taxes, intergovernmental revenues, and interest income).

Separate fund-based financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of applicable fund category and for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a separate column in the applicable fund financial statements.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements and the proprietary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues, other than taxes, are considered to be available when they are collectible within one year of the current period. Taxes are generally considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to pension, other postemployment benefits, compensated absences, and claims and judgments are recorded only when the obligation has matured and is due and payable shortly after year end.

GASB Interpretation 6 clarifies the application of modified accrual recognition of certain liabilities and expenditures in the governmental fund financial statements. Specifically, GASB Interpretation 6 indicates that liabilities for debt, compensated absences, claims and judgments, and special termination benefits are normally expected to be liquidated with expendable available financial resources and should be recognized as governmental fund liabilities and expenditures only to the extent that they mature each period.

Ad valorem, franchise, sales tax revenues and fines and forfeitures recorded in the General Fund, ad valorem tax revenues recorded in the Debt Service Fund and Tax Increment Reinvestment Zone #1, rents in the TIRZ fund, and charges for services in the Capital Projects fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable and available until cash is received. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met and amounts are received within one year of year end. Funds received in advance for which all eligibility requirements have not been met are considered unearned revenue. Receivables for which amounts are not considered available are considered deferred inflows of resources.

Proprietary fund statements of revenues, expenses, and changes in fund net position present increases (e.g., revenues) and decreases (e.g., expenses) in net position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Water and Sewer, Environmental Services and Stormwater funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City of Frisco does not utilize internal service funds, which traditionally provide services primarily to other funds of the government, nor does the City of Frisco have fiduciary funds.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

The following are the funds used by the City:

1. Governmental Funds:
   The focus of Governmental Fund measurement (in the Fund Financial Statements) is upon determination of fund balances and changes in fund balances (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the City:
   a. General Fund accounts for several of the City's primary services (Public Safety, Public Works, Culture & Recreation, General Government) and is the primary operating fund unit of the City.
   b. Tax Increment Reinvestment Zone Fund #1 accounts for revenue sources that are legally held for special purposes within the zone. The revenue sources consist of property tax collections within the zone and lease payments for facilities.
   c. Capital Projects Fund accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.
   d. Debt Service Fund accounts for the accumulation of resources and payment of general obligation and certificate of obligation bond principal and interest from governmental resources.
   e. Other Governmental Funds is a summarization of the nonmajor governmental funds.

2. Proprietary Funds:
   The focus of Proprietary Fund measurement is upon determination of operating income, changes in net position, and cash flows, which is similar to private-sector businesses. The following is a description of the Proprietary Funds of the City:
   a. Water and Sewer Fund accounts for the operation of the City's water and sewer utility. Activities of the Fund include administration, operation and maintenance of the water and sewer system, and billing and collection activities. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for contractual obligation bonds when due throughout the year. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure integrity of the Fund.
   b. Other Proprietary Funds is a summarization of the nonmajor proprietary funds including the stormwater drainage program and the environmental services fund.

E. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity date within three months of the date acquired by the government. Cash in all funds, excluding the City's payroll account, lockbox operations, police seizure accounts and Charitable Foundation account, is combined into one bank account in order to maximize investment opportunities. Although individual funds may experience temporary overdraft liabilities, a positive balance is maintained in combined cash.

All investments are recorded at fair value based on market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Investments in TexPool and TexStar are considered cash equivalents as the amounts are available on demand. Investments, other than investments in pools as previously referenced, are recorded at fair value based upon verifiable market prices.

The following table summarizes the restricted cash and investments:

Governmental Activities	Amount
Tax Increment Reinvestment Zones	$ 10,891,230
Debt Service Fund	3,282,077
Hotel/Motel Fund	2,497,801
Panther Creek PID	10,640
Traffic control enforcement	96,115
Court Fees	170,261
PEG Cable Fund	1,199,561
Road Impact Fees	32,408,606
Park Development Fees	21,021,469
Total	71,577,760

Business-Type Activities	Amount
Utility Capital Projects	$ 67,538,644
Utility Impact Fees	45,397,680
Total	112,936,324

Total Restricted Cash and Investments	$ 184,514,084

F. Inventories and Prepaid Items

Inventories of supplies are maintained at the City. These inventories are valued at cost using the first in/first out (FIFO) inventory method. The cost of inventories is recorded as expenditures/expenses when consumed rather than when purchased. Prepaid items are payments made by the City in the current fiscal year to provide services occurring in the subsequent fiscal year. Inventories and prepaid items are recognized as nonspendable in the governmental funds in the fund level financial statements to signify that a portion of fund balance is not available for other subsequent expenditures.

G. Interfund Transactions and Receivables and Payables

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. All legally authorized transfers are appropriately treated as transfers and are included in the changes in fund balance/net position of both governmental and proprietary funds.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in proprietary fund financial statements.

All purchased capital assets are valued at cost where historical records are available or at an estimated cost where no historical records exist. In the case of the initial capitalization of infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical costs of these assets through back trending (i.e., estimating the current replacement costs of the infrastructure to be capitalized and using an appropriate price-level index to deflate the costs to the acquisition year or estimated acquisition year). Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The City considers the asset as received when all requirements have been met by the developer including providing the City with affidavits of value. Public domain (infrastructure) assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems have been recorded at estimated historical cost. The City defines capital assets as assets with an initial individual cost of $5,000 or more and an estimated useful life greater than one year. Outlays for capital assets and improvements are capitalized as the projects are constructed.

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Buildings	20-25 years
Improvements other than buildings	15-30 years
Vehicles	3-15 years
Machinery & equipment	3-20 years

The costs of normal maintenance and repairs that do not materially add to the value of the asset or significantly extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related assets, as applicable.

I. Compensated Absences

The City allows employees to accumulate earned but unused vacation benefits to a maximum of 240 hours for the first 10 years of employment, 288 hours for over ten years employment, and 320 hours for employees with over 15 years of employment. Certified police officers and firefighters working 8-hour days have a maximum of 480 hours, while firefighters who work a 24-hour shift have a maximum of 720 hours. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights. Upon termination, the City pays to employees with over one year of service, up to their tenure's maximum for vacation, and up to 720 hours of sick leave. Fire Department personnel are paid up to their corresponding maximum hours for vacation and either 720 or 1080 hours for sick leave. A maximum of 720 hours of sick is paid out to fire shift personnel working 96-hour/14-day and 8-hour/7-day work cycles and 1080 hours for those working 24-hour/28-day work cycles. Vacation and sick leave in excess of the employee's hour maximum is not paid upon termination. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured and typically, in prior years the General Fund has liquidated the liability.

J. Federal and State Grants

Grants and shared revenues are generally accounted for within the Grants Fund or Community Development Block Grants Funds if funding is for a governmental fund type. Federal grants include several police, fire and transportation related grants which are accounted for within the Grants Fund. Community Development Block Grants are accounted for within that fund. Various state grants are also included in the Grants Fund. Proprietary fund grants are accounted for within the applicable fund.

K. Long-term Debt

General Obligation Bonds and Certificate of Obligation Bonds issued for general government capital projects that are to be repaid from tax revenues of the City are recorded in the government-wide statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method in the proprietary fund and the government-wide financial statements. Bond issuance costs are expensed. Bonds payable are reported net of the applicable bond premium or discount. In the governmental fund financial statements, issuance costs, as well as bond premiums and discounts, are recognized when incurred.

Certificate of Obligation Bonds have been issued to fund capital projects of the Proprietary Funds. Such bonds are to be repaid from the net revenues of the applicable Proprietary Fund. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed.

L. Deferred Inflows and Deferred Outflows of Resources

Deferred inflows of resources are an acquisition of net position by the City that is applicable to a future reporting period. Deferred inflows have a negative effect on net position, similar to liabilities. The City of Frisco reports deferred inflows of resources as the offset account to assets received, but not yet available or earned. Outflows of resources are defined as a consumption of net position by the government that is applicable to a future reporting period. Deferred outflows of resources increase net position, similar to assets. For current refundings and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt that results in a refunding loss, is reported as a deferred outflow of resources. The deferred outflows of resources are recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. For pensions and OPEB, pension items are recognized in accordance with GASB 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* (GASB 68) and OPEB items are recognized in accordance with GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). The City of Frisco deferred outflows of resources and deferred inflows of resources changes for the year are detailed below:

	Balance 9/30/2020	Additions	Deletions	Balance 9/30/2021
Deferred outflows				
Governmental activities	$ 24,004,587	$ 16,208,245	$ 17,510,160	$ 22,702,672
Business-type activities	4,745,259	2,218,059	2,740,765	4,222,553
Component units	934,355	329,094	463,798	799,651
Total	$ 29,684,201	$ 18,755,398	$ 20,714,723	$ 27,724,876
Deferred inflows				
Governmental activities	$ (11,139,473)	$ (12,411,085)	$ 11,228,075	$ (12,322,483)
Business-type activities	(1,856,580)	(1,898,166)	1,767,978	(1,986,768)
Component units	(265,226)	(292,026)	265,226	(292,026)
Total	$ (13,261,279)	$ (14,601,277)	$ 13,261,279	$ (14,601,277)

M. Retirement Plans

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB 68.

N. OPEB

For purposes of measuring the total OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, City specific information about its total OPEB liability in the TMRS Supplemental Death Benefits Fund (SDBF) and Retiree health insurance and additions to/deductions from the City's total OPEB liability have been determined on the same basis as they are reported by TMRS and Lockton Companies. For this purpose, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Information regarding the City's SDBF Total OPEB Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company. Information regarding the City's Retiree Health Insurance Total OPEB Liability is obtained through a report prepared for the City by Lockton Companies consulting actuaries. Both reports are prepared in compliance with GASB 75.

O. Fund Equity

In order to comply with the GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, the fund balance section of the balance sheets of the governmental funds include the following items:

- Nonspendable fund balance include the:
  - Portion of net resources that cannot be spent because of their form,
  - Portion of net resources that cannot be spent because they must be maintained intact.
- Restricted fund balance (externally enforceable limitations on use) include amounts subject to:
  - Limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments
  - Limitations imposed by law through constitutional provision or enabling legislation.
- Committed fund balance (self-imposed limitations set in place prior to the end of the period):
  - Limitation imposed at the highest level of decision making (an approved resolution) that requires formal action at the same level to remove. For the City, the City Council is the highest level of decision making and approves any commitments by resolution of the Council, which is considered the most binding constraint for fund balance classification purposes.
- Assigned fund balance consists of amounts where the:
  - Intended use is established by the body designated for that purpose (City Council),
  - Intended use is established by official designated for that purpose. The City Manager, Deputy City Manager and Chief Financial Officer are the designated officials set by ordinance.
- Unassigned fund balance is the total fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive fund balance. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

In the government-wide and proprietary funds financial statements, the net position is reported in three components: (1) net investment in capital assets, (2) restricted and (3) unrestricted. Net investment in capital assets represents the City's total investment in capital assets, net of depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvements of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

For the classification of governmental fund balances, the City considers an expenditure to be made from the most restrictive first when more than one classification is available. For example, when an expenditure is incurred, the flow assumption in determining the applicable order of using fund balance resources available is first by Committed (such as for encumbrances), then by Assigned (for the established, official intended uses), and finally by Unassigned fund balance. Net position restricted for impact fee collections in the Water and Sewer fund is a reserve required by the fee ordinance.

P. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows of resources, deferred inflows of resources and contingent assets and liabilities as of the balance sheet date and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Q. Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as required.

R. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting—under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation—is utilized in the governmental fund types. Encumbrances outstanding at year-end are reported as an adjustment-budgetary basis on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual. The commitments will be honored during the subsequent year.

S. New Accounting Pronouncements

In the current year the City implemented the following GASB pronouncements:

GASB Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The adoption of GASB 84 had no impact on the City's financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*. The objective of this statement is to address accounting and financial reporting implications that result from the replacement of an IBOR due to global reference reform. The adoption of GASB 93 had no impact on the City's financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The adoption of GASB 97 had no impact on the City's financial statements.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*. The objective is to address references in authoritative literature to the term *comprehensive annual financial report*. It replaces this term with annual comprehensive financial report and the associated acronym to ACFR.

The GASB has issued the following statements which will be effective in future years as described below. The impact on the City's financial statements of implementation has not yet been determined for the following:

GASB Statement No. 87, *Leases*, is effective for periods beginning after June 15, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments through increasing the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, is effective for periods beginning after December 15, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Interest cost incurred before the end of a construction period will be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

GASB Statement No. 91, *Conduit Debt Obligations*, is effective for periods beginning after December 15, 2020. This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment.

GASB Statement No. 92, *Omnibus 2020*, is effective for periods beginning after June 15, 2021. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements*, is effective for reporting periods beginning after June 15, 2022. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs).

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, is effective for fiscal years beginning after June 15, 2022. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains the "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $797,425,857 difference are as follows:

Bonds and certificates of obligation payable	$ 701,070,000
Bond discount (to be amortized as interest expense)	(701,643)
Bond premiums (to be amortized over the life of the bonds)	36,744,730
Accrued interest payable	3,679,906
Compensated absences	24,262,204
Net pension liability	28,400,076
Total OPEB liability	3,970,584
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	$ 797,425,857

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of the $4,032,632 difference are as follows:

Capital outlay	$	60,803,705
Developers' contributions		20,173,551
Component unit capital contribution		4,467,771
Book value of capital assets disposed/retired		(173,009)
Depreciation expense		(81,239,386)
Net adjustment to increase net changes in fund balance – total governmental funds to arrive at changes in net position of governmental activities	$	4,032,632

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $30,576,033 difference are as follows:

Debt issued or incurred:		
Premium amortization	$	8,178,330
Discount amortization		(63,103)
Amortization on loss of refunding of debt		(1,422,635)
Refunding bond write off deferred loss/premium		(580,165)
Bonds issued		(89,950,000)
Bond premium issued		(12,068,625)
Principal repayments:		
Payment to refunding agent		15,620,165
Bonds		49,710,000
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	$	(30,576,033)

Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this $7,408,459 difference are as follows:

Increase in accrued interest on bonds	$	(99,121)
Increase in compensated absences		(9,552,878)
Decrease in pension expense		2,239,716
Decrease in OPEB expense		3,824
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	$	(7,408,459)

Note 3. Legal Compliance – Budgets

Budgetary Information

Annual appropriated budgets are legally adopted for the General Fund, Debt Service Fund, Capital Projects Funds, and Special Revenue Funds. The legal level of authority is at the fund level. The annual budget is adopted using the budgetary basis of accounting. The budgetary basis of accounting differs from accounting principles generally accepted in the United States in that encumbrances are recorded as expenditures in the period encumbered and not when incurred. All annual appropriations lapse at fiscal year-end. Project length financial plans are adopted for certain Capital Projects Funds. The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to August 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to September 30, the budget is legally enacted through the passage of an ordinance.
4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
5. Formal budgetary review is employed as a management control device during the year for the General Fund, Debt Service Fund, and Capital Projects Funds. Supplemental appropriations were made during the fiscal year, during the revised budget process.
6. The budget approved for the discretely presented component units follow similar approval procedures.
7. The budget approved for the Water & Sewer Fund follows similar approval procedures but departs from generally accepted accounting principles by not including depreciation or compensated absence expenses in the approved budget.

Note 4. Deposits and Investments

Deposits – State statutes require that all deposits in financial institutions be fully collateralized by U.S. government obligations or obligations of Texas and its agencies that have a fair value of not less than the principal amount of the deposits. The City's deposits were insured up to $250,000 or collateralized as required by State statutes at September 30, 2021. At year-end, the carrying amount of the City's demand deposits was a balance of $6,067,151 - bank balance, $7,132,136. The carrying amount of the component unit's pooled cash was $41,664, - bank balance, $0. The cash on hand carrying amount totaled $24,473. The bank balance for the primary government and the component unit's deposits was covered by collateral with a fair value of $13,965,901. The collateral is held in the City's name by the Bank of New York Mellon and JP Morgan National Collateral Management Group, agents of the City's financial institutions.

Investments – State statutes, city policies, and city resolutions authorize the City's investments. The Chief Financial Officer and the Director of Financial Services are authorized by the City Council to invest all available funds consistent with the investment policy. The City is authorized to invest in United States obligations or its agencies and instrumentalities, direct obligations of the State of Texas or its agencies and instrumentalities, other obligations backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities, obligations of states, agencies, counties, cities, and other political subdivisions of any State having an investment rating of not less than "A" or its equivalent, fully collateralized repurchase agreements, certificates of deposit issued by a depository institution that has its main office or branch office in the State of Texas, money market mutual funds regulated by the Securities and Exchange Commission with a dollar weighted average portfolio maturity of 90 days or less, and local government investment pools organized and operating in compliance with the Inter-local Cooperation Act.

As of September 30, 2021, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity Days
Primary Government		
General Fund		
Federal Agency Notes	$ 99,411,315	171
TexPool	22,664,897	37
TexStar	25,919,921	43
CIP Funds		
Federal Agency Notes	133,016,205	191
TexPool	15,474,802	37
TexStar	216,310,501	43
Other Funds		
Federal Agency Notes	87,056,258	170
TexPool	81,506,771	37
TexStar	6,879,047	43
Total Primary Government	$ 688,239,717	105
Component Units		
Community Development		
Federal Agency Notes	33,125,540	225
TexPool	13,571,993	37
TexStar	1,007,642	43
Economic Development		
Federal Agency Notes	33,756,469	169
TexPool	10,361,067	37
TexStar	1,830,610	43
Charitable Foundation		
TexPool	13,270	37
Total Component Units	$ 93,666,591	151
Total Government	$ 781,906,308	111

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs-other than quoted prices included within Level 1-that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The City has recurring fair value measurements as presented in the table below. Investment balances of such investments are as follows:

Primary Government	September 30, 2021	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents:				
Bank deposits	$ 6,067,151	$ -	$ -	$ -
Total cash and cash equivalents	6,067,151	-	-	-
Investments measured at amortized costs:				
Investment pools:				
Texpool	119,646,470	-	-	-
Investments measured at net asset value (NAV), fair value:				
Investment pools:				
TexStar	249,109,469	-	-	-
Investments by fair value level:				
U.S. government agency securities:				
Federal Home Loan Bank	74,531,468	-	74,531,468	-
Federal Farm Credit Bank	58,309,569	-	58,309,569	-
US Treasury Notes	186,642,741	-	186,642,741	-
Total investments	688,239,717	-	319,483,778	-
Total cash and investments	$694,306,868	$ -	$ 319,483,778	$ -

The component unit investment balances of such investments are as follows:

Component Units	September 30, 2021	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents:				
Bank deposits	$ 41,664	$ -	$ -	$ -
Total cash and cash equivalents	41,664	-	-	-
Investments measured at amortized costs:				
Investment pools:				
Texpool	23,946,330	-	-	-
Investments measured at net asset value (NAV), fair value:				
Investment pools:				
TexStar	2,838,252	-	-	-
Investments by fair value level:				
U.S. government agency securities:				
Federal Farm Credit Bank	12,000,016	-	12,000,016	-
US Treasury Notes	54,881,993		54,881,993	
Total investments	93,666,591	-	66,882,009	-
Total cash and investments	$ 93,708,255	$ -	$ 66,882,009	$ -

Investment Pools are measured at amortized costs or net asset value (NAV) and are exempt from fair value reporting.

U.S. Government Agency Securities and U.S. Treasury Bonds and Notes classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The Texpool investment pool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool The investment pool transacts at a net asset value of $1.00 per share, has weighted average maturities of 60 days or less and weighted average lives of 120 days or less, investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonable foreseeable redemptions. Texpool has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

The TexStar investment pool is an external investment pool measured at NAV. The strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the pools. TexStar has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

Texpool is not registered with the Securities and Exchange Commission. The Texas Local Government Investment Pools (the "Texpool Portfolios") have been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Comptroller of Public Accounts maintains oversight.

TexStar is not registered with the Securities and Exchange Commission. TexStar operates in compliance with Public Funds Investment Act of the Texas Government Code. The oversight body for TexStar is the TexStar Governing Board.

Interest Rate Risk – In order to minimize risk of loss due to interest rate fluctuations, the City's Investment Policy states investment maturities will not exceed the anticipated cash flow requirement of the funds as follows:

- Operating Funds – The dollar weighted average maturity of 365 days or less will be calculated using the stated final maturity dates of each security and the maximum allowable maturity shall be two years.
- Bond Proceeds – The maximum maturity for all bond proceeds shall be three years.
- Bond Reserve Funds – Maturity limitation shall generally not exceed the call provision of the Bond Ordinance and shall not exceed the final maturity of the bond issue.
- Other Funds – Maximum maturity shall not exceed five years and each fund's weighted average life shall not exceed three years.

Credit Risk – In compliance with the City's Investment Policy, and in conjunction with state law, as of September 30, 2021, the City minimized credit risk losses by limiting investment to the safest types of securities, pre-qualifying investments through our asset management company, and diversifying the investment portfolio so that potential losses on individual securities were minimized. The City also invested in certificates of deposits at local banks as applicable. The City's investments in U.S. Agency securities (FHLB, FHLMC, FFCB and FNMA) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Services. The City's investments in local government investment pools (TexPool and TexStar) are in compliance with the Public Funds Investment Act and rated AAAm by Standard & Poor's. More than five percent of the City's and Component Unit's investments are in Federal Farm Credit Bank (FFCB), U.S. Treasury Notes, and Federal Home Loan Bank (FHLB). These investments are 18.20%, 62.51%, and 19.29% respectively, of the total investments.

Concentration of Credit Risk – The City's formal investment policy does not address limitations to one particular issuer.

Note 5. Receivables

Receivables at September 30, 2021, for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are all considered to be collectible within one year and consist of the following:

Receivables
September 30, 2021

Governmental Activities	General	TIRZ #1	Capital Projects	Debt Service	Nonmajor Funds	Total
Property tax	$ 866,217	$ -	$ -	$ 468,038	$ -	$ 1,334,255
Sales tax	9,888,010	-	-	-	-	9,888,010
Franchise tax	5,209,562	-	-	-	67,540	5,277,102
Occupancy tax	-	-	-	-	497,799	497,799
Mixed beverage	108,504	-	-	-	-	108,504
Accrued interest	255,721	-	204,915	-	113,669	574,305
Grants	-	-	-	-	1,700,343	1,700,343
Assessments	-	-	-	-	334,914	334,914
Other	2,301,533	1,474,833	1,279	-	5,146	3,782,791
Gross receivables	18,629,547	1,474,833	206,194	468,038	2,719,411	23,498,023
Less: allowance	(1,542,230)	-	-	(23,402)	-	(1,565,632)
Net receivables	$ 17,087,317	$ 1,474,833	$ 206,194	$ 444,636	$ 2,719,411	$ 21,932,391

Business-type Activities	Water and Sewer	Nonmajor Funds	Total
Utility bills	$ 18,840,270	$ -	$ 18,840,270
Accrued interest	147,892	158	148,050
Other	1,115,324	193,749	1,309,073
Gross receivables	20,103,486	193,907	20,297,393
Less: allowance	(2,706,880)	-	(2,706,880)
Net receivables	$ 17,396,606	$ 193,907	$ 17,590,513

Component Units	Community Development Corporation	Economic Development Corporation	Total
Sales tax	$ 4,944,005	$ 4,944,005	$ 9,888,010
Accrued interest	29,256	87,182	116,438
Other	26,550	500	27,050
Net receivables	$ 4,999,811	$ 5,031,687	$ 10,031,498

The Proprietary Fund accounts receivable includes unbilled charges for services rendered at September 30, 2021.

Property taxes are levied on October 1, are payable until February 1 of the following year without penalty and are levied for the period in which they are levied. Property taxes attach as an enforceable lien on property as of February 1. No discounts are allowed for early payment. Penalty and interest are calculated after February 1 up to the date collected by the City at the rate of 6% for the first month and increased by 1% per month up to a total of 12%. Under state law, property taxes on real property constitute a lien on the property and cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of 20 years. Taxes applicable to personal property may be deemed uncollectible by the City. The City's current policy is to write off uncollectible personal property taxes after four years.

Notes Receivable City

The City periodically issues bonds on behalf of the Frisco Community Development Corporation and Frisco Economic Development Corporation to fund various projects of these entities. Each component unit has an agreement with the City to fund the principal and interest payments of the bonds; therefore, a note receivable is reported in the government wide financial statements of the City from each component unit equal to the face amount of the bonds outstanding. At September 30, 2021, the balance of the note receivable from the Frisco Community Development Corporation was $19,680,000.

The City has note receivables with clients in the targeted down payment assistance program totaling $140,000. Additionally, the City has one developer agreement in the CIP Fund for $373,000 which is classified as a note receivable. This $513,000 total note receivable is recorded at the fund level in the financial statements.

Notes Receivable Component Units

In June 2011, the Frisco Community Development Corporation executed a Performance Agreement and Promissory Note with a developer for $400,000 for building improvements to a public facility being leased by the developer. The loan interest rate is 0.00%, and if the developer satisfies annual performance criteria, the loan will be forgiven over a period of ten years, ending in July 2022. This note is only recognized at the government-wide level. The loan balance as of September 30, 2021 was $40,000.

Note 6. Capital Assets

The following is a summary of changes in the capital assets during the fiscal year:

Capital Assets
September 30, 2021

Governmental Activities	Balance 9/30/2020	Additions	Transfers	Retirements/Other Deductions	Balance 9/30/2021
Capital assets, not being depreciated:					
Land	$ 347,612,563	$ 2,527,317	$ 3,674,185	$ -	$ 353,814,065
Construction-in-progress	143,134,501	51,934,229	(94,688,950)	-	100,379,780
Total capital asset, not being depreciated	490,747,064	54,461,546	(91,014,765)	-	454,193,845
Capital assets, being depreciated:					
Machinery and equipment	90,299,554	9,791,581	41,900	(1,571,089)	98,561,946
Buildings and improvements	707,209,217	8,299	17,545,324	-	724,762,840
Improvements other than buildings	1,336,556,504	16,715,834	83,053,624	(164,830)	1,436,161,132
Total capital assets being depreciated	2,134,065,275	26,515,714	100,640,848	(1,735,919)	2,259,485,918
Less accumulated depreciation:					
Machinery and equipment	(55,728,896)	(8,361,382)	(5,158,312)	1,562,910	(67,685,680)
Buildings and improvements	(232,110,807)	(26,154,107)	-	-	(258,264,914)
Improvements other than buildings	(511,767,835)	(46,723,897)	-	-	(558,491,732)
Total accumulated depreciation	(799,607,538)	(81,239,386)	(5,158,312)	1,562,910	(884,442,326)
Total capital assets, being depreciated, net	1,334,457,737	(54,723,672)	95,482,536	(173,009)	1,375,043,592
Governmental activities capital assets, net	$ 1,825,204,801	$ (262,126)	$ 4,467,771	$ (173,009)	$ 1,829,237,437

Business-type Activities	Balance 9/30/2020	Additions	Transfers	Retirements/Other Deductions	Balance 9/30/2021
Capital assets, not being depreciated:					
Land	$ 10,547,022	$ 125,000	$ -	$ -	$ 10,672,022
Construction-in-progress	29,643,362	9,324,837	(21,894,064)	-	17,074,135
Total capital asset, not being depreciated	40,190,384	9,449,837	(21,894,064)	-	27,746,157
Capital assets, being depreciated:					
Machinery and equipment	12,071,559	489,694	-	(275,319)	12,285,934
Buildings and improvements	10,178,723	-	-	-	10,178,723
Improvements other than buildings	617,608,937	11,777,595	21,894,064	(4,880)	651,275,716
Total capital assets being depreciated	639,859,219	12,267,289	21,894,064	(280,199)	673,740,373
Less accumulated depreciation:					
Machinery and equipment	(8,142,350)	(1,080,997)	-	275,319	(8,948,028)
Buildings and improvements	(7,446,193)	(449,717)	-	-	(7,895,910)
Improvements other than buildings	(202,774,485)	(19,166,374)	-	-	(221,940,859)
Total accumulated depreciation	(218,363,028)	(20,697,088)	-	275,319	(238,784,797)
Total capital assets, being depreciated, net	421,496,191	(8,429,799)	21,894,064	(4,880)	434,955,576
Business-type activities capital assets, net	$ 461,686,575	$ 1,020,038	$ -	$ (4,880)	$ 462,701,733

For the Business-type Activities, interest costs for the period charged to expense totaled $3,338,824. Capitalized interest costs recorded during the period totaled $1,434,730.

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	$ 20,313,435
Public safety	7,737,635
Public works	47,071,690
Culture and recreation	6,116,626
Total depreciation expense governmental activities	$ 81,239,386
Business-type activities	
Water & sewer	$ 20,437,235
Stormwater drainage	184,910
Environmental services	74,943
Total depreciation expense business-type activities	$ 20,697,088

Frisco Community Development Corporation	Balance 9/30/2020	Additions	Transfers	Retirements/ Other Deductions	Balance 9/30/2021
Capital assets, not being depreciated:					
Land	$ 69,816,814	$ 3,508,050	$ (3,674,186)	$ -	$ 69,650,678
Construction-in-progress	-	-	-	-	-
Total capital assets not being depreciated	69,816,814	3,508,050	(3,674,186)	-	69,650,678
Capital assets, being depreciated:					
Machinery and equipment	118,213	-	-	-	118,213
Buildings and improvements	10,228,293	-	(5,951,897)	-	4,276,396
Improvements other than buildings	18,920,290	-	-	-	18,920,290
Total capital assets being depreciated	29,266,796	-	(5,951,897)	-	23,314,899
Less: accumulated depreciation	(25,997,267)	(226,399)	5,158,312	-	(21,065,354)
Total capital assets, being depreciated, net	3,269,529	(226,399)	(793,585)	-	2,249,545
FCDC capital assets, net	$ 73,086,343	$ 3,281,651	$ (4,467,771)	$ -	$ 71,900,223

Frisco Economic Development Corporation	Balance 9/30/2020	Additions	Transfers	Retirements/ Other Deductions	Balance 9/30/2021
Capital assets, not being depreciated:					
Land	$ 16,137,801	$ -	$ -	$ -	$ 16,137,801
Total capital assets not being depreciated	16,137,801	-	-	-	16,137,801
Capital assets, being depreciated:					
Machinery and equipment	229,395	-	-	-	229,395
Buildings and improvements	60,963	-	-	-	60,963
Total capital assets being depreciated	290,358	-	-	-	290,358
Less: accumulated depreciation	(251,957)	(6,153)	-	-	(258,110)
Total capital assets, being depreciated, net	38,401	(6,153)	-	-	32,248
FEDC capital assets, net	$ 16,176,202	$ (6,153)	$ -	$ -	$ 16,170,049

In addition to construction in progress, the City had commitments or binding contracts as of September 30, 2021. The construction commitments or binding contracts totaled $91,442,750 for the governmental capital projects fund; and $22,776,891 for the business-type activities capital projects fund. Other funds also had outstanding encumbrances totaling $8,238,286.

Governmental activities	
General fund	$ 3,795,313
Capital projects fund	91,442,750
Nonmajor funds	3,625,333
Total outstanding commitments	$ 98,863,396
Business-type activities	
Water & Sewer fund	$ 629,225
Water & Sewer fund construction	22,776,891
Nonmajor funds	188,415
Total outstanding commitments	$ 23,594,531

Note 7. Notes Payable

The following is a summary of the changes in notes payable during the fiscal year:

Frisco Community Development Corporation	Balance 9/30/2020	Additions	Deletions	Balance 9/30/2021	Amounts Due within one year
Note payable to City	$ 22,755,000	$ -	$ 3,075,000	$ 19,680,000	$ 2,975,000
Note payable to bank	8,344,692	-	834,469	7,510,223	7,510,223
Premium	781,817	-	277,332	504,485	201,961
Discount	(51,249)	-	(5,932)	(45,317)	(5,932)
Total	$ 31,830,260	$ -	$ 4,180,869	$ 27,649,391	$ 10,681,252

The City periodically issues bonds on behalf of the Community Development Corporation and Economic Development Corporation to fund various projects of these entities. These entities are component units of the City. Each component unit has an agreement with the City to fund the principal and interest payments of the bonds; therefore, a note payable is reported in the government-wide financial statements of the component units to the City equal to the face amount of the bonds outstanding plus any bond premiums, discounts, and deferred loss from advance refunding of debt. The City is in compliance with related bond covenants.

At September 30, 2021, the balance of the note payable to the City from the Community Development Corporation was $20,139,168. This includes $19,680,000 in the note balance, and a net premium/discount of $459,168.

The Frisco Community Development Corporation also holds a direct bank loan, obtained on May 7, 2015 for the purchase of approximately 182 acres of land. The original Promissory Note was in the amount of $13,770,000, maturing on May 7, 2022. The Frisco Community Development Corporation pays principal annually at 10% of the outstanding balance, and interest is payable quarterly. The principal of the note is secured by the land through a Deed of Trust which will either be released by payment of the note in full, or by conveyance of the land in the case of foreclosure. The balance of the note at September 30, 2021 was $7,510,223.

Note 8. Long-term Debt

Long-term debt at September 30, 2021 includes the following issues:

Governmental Activities

General Obligation Bonds

Issue	Closing Date	Maturity Date	Interest Rates	Original Issue Amount	Outstanding Amount
2011 Refunding and Improvement Bonds	08/16/2011	02/15/2031	3.125% - 5.000%	$ 109,545,000	$ 13,955,000
2012 Refunding Bonds	04/12/2012	02/15/2024	2.750% - 5.000%	22,615,000	7,415,000
2013 Refunding and Improvement Bonds	05/22/2013	02/15/2033	3.000% - 5.000%	64,070,000	37,865,000
2013 A Improvement Bonds	08/20/2013	02/15/2033	3.000% - 4.125%	20,000,000	13,615,000
2014 Refunding and Improvement Bonds	09/16/2014	02/15/2034	3.000% - 5.000%	34,505,000	15,635,000
2015 A Refunding and Improvement Bonds	08/18/2015	02/15/2035	3.500% - 5.000%	81,335,000	59,935,000
2015 B Refunding Bonds	05/19/2015	02/15/2035	2.500% - 4.100%	6,040,000	4,575,000
2016 Refunding and Improvement Bonds	07/27/2016	02/15/2036	3.500% - 5.000%	115,575,000	82,455,000
2017 Improvement Bonds	07/18/2017	02/15/2037	3.000% - 5.000%	45,510,000	39,495,000
2018 Improvement Bonds	07/17/2018	02/15/2038	3.125% - 5.000%	53,635,000	48,435,000
2019 Improvement Bonds	07/31/2019	02/15/2039	3.000% - 5.000%	63,790,000	59,565,000
2020 Improvement Bonds	09/29/2020	02/15/2040	2.000% - 5.000%	26,790,000	25,825,000
2021 Refunding and Improvement Bonds	01/05/2021	02/15/2040	2.000% - 5.000%	89,950,000	89,950,000
			Total	$ 733,360,000	$ 498,720,000

Certificates Of Obligation

Issue	Closing Date	Maturity Date	Interest Rates	Original Issue Amount	Outstanding Amount
2001 B Combination Tax and Revenue	10/01/2001	02/15/2025	6.625%	$ 19,915,000	$ 4,795,000
2003 B Combination Tax and Revenue	06/01/2003	02/15/2023	5.200%	15,035,000	2,350,000
2008 B Combination Tax and Revenue	02/15/2008	02/15/2033	6.050% - 6.375%	20,520,000	16,420,000
2009 Combination Tax and Limited Surplus Revenue	11/15/2009	02/15/2030	4.000% - 4.750%	3,105,000	1,440,000
2013 Combination Tax and Surplus Revenue	08/01/2013	02/15/2033	3.250% - 5.000%	14,515,000	10,035,000
2014 A Combination Tax and Limited Surplus Revenue	08/26/2014	02/15/2038	2.650% - 4.150%	90,000,000	75,390,000
2015 A Combination Tax and Limited Surplus Revenue	10/20/2015	02/15/2037	2.000% - 4.000%	9,015,000	7,640,000
2015 B Combination Tax and Limited Surplus Revenue	10/20/2015	02/15/2037	2.580% - 4.300%	20,740,000	17,585,000
2016 B Combination Tax and Limited Surplus Revenue	07/27/2016	02/15/2041	1.916% - 3.600%	20,500,000	18,480,000
2019 Combination Tax and Revenue	02/26/2019	02/15/2039	3.000% - 4.000%	35,000,000	32,925,000
2019 B Combination Tax and Surplus Revenue	07/31/2019	02/15/2039	2.350% - 3.050%	16,535,000	15,290,000
			Total	$ 264,880,000	$ 202,350,000

Business-type Activities

General Obligation Bonds

Issue	Closing Date	Maturity Date	Interest Rates	Original Issue Amount	Outstanding Amount
2011 Refunding and Improvement Bonds	08/16/2011	02/15/2023	3.125% - 5.000%	$ 13,885,000	$ 1,585,000
2012 Refunding Bonds	04/12/2012	02/15/2024	2.750% - 5.000%	8,335,000	2,645,000
2013 Refunding and Improvement Bonds	05/22/2013	02/15/2026	5.000%	15,885,000	10,575,000
2014 Refunding and Improvement Bonds	09/16/2014	02/15/2024	5.000%	5,900,000	290,000
2015 A Refunding and Improvement Bonds	08/18/2015	02/15/2027	3.500% - 5.000%	26,375,000	17,200,000
2021 Refunding and Improvement Bonds	01/05/2021	02/15/2023	5.000%	1,480,000	1,480,000
			Total	$ 71,860,000	$ 33,775,000

Certificates Of Obligation

Issue	Closing Date	Maturity Date	Interest Rates	Original Issue Amount	Outstanding Amount
2013 Combination Tax and Surplus Revenue	08/01/2013	02/15/2033	3.250% - 5.000%	$ 24,195,000	$ 16,735,000
2014 Combination Tax and Surplus Revenue	09/16/2014	02/15/2034	3.000% - 5.000%	13,810,000	10,320,000
2015 Combination Tax and Surplus Revenue	08/18/2015	02/15/2035	3.000% - 4.000%	14,965,000	11,415,000
2016 A Combination Tax and Limited Surplus Revenue	07/27/2016	02/15/2036	4.000%	17,065,000	13,970,000
2017 Combination Tax and Surplus Revenue	07/18/2017	02/15/2037	3.000% - 4.000%	14,455,000	12,380,000
2018 Combination Tax and Surplus Revenue	07/17/2018	02/15/2038	3.000% - 5.000%	14,705,000	13,160,000
2019 A Combination Tax and Surplus Revenue	07/31/2019	02/15/2039	2.500% - 4.000%	9,595,000	8,895,000
2020 Combination Tax and Surplus Revenue	09/29/2020	02/15/2040	2.000% - 5.000%	13,635,000	13,140,000
2021 Combination Tax and Surplus Revenue	01/05/2021	02/15/2040	2.000% - 5.000%	20,315,000	20,315,000
			Total	$ 142,740,000	$ 120,330,000

Component Units

Issue	Closing Date	Maturity Date	Interest Rates	Original Issue Amount	Outstanding Amount
2012 A Sales Tax Revenue Bonds	09/20/2012	02/15/2032	2.670% - 3.940%	$ 27,675,000	$ 17,265,000
2012 B Sales Tax Revenue Bonds	09/20/2012	02/15/2032	2.670% - 3.940%	29,300,000	18,285,000
2014 Sales Tax Revenue Bonds	08/26/2014	02/15/2034	2.900% - 4.200%	25,000,000	18,110,000
2015 Sales Tax Revenue Bonds	05/19/2015	02/15/2035	2.650% - 4.250%	6,000,000	4,565,000
2016 A Sales Tax Revenue Bonds	02/11/2016	02/15/2037	3.000% - 5.000%	21,690,000	18,755,000
2016 B Sales Tax Revenue Bonds	02/11/2016	02/15/2037	2.540% - 4.450%	15,180,000	12,875,000
			Total	$ 124,845,000	$ 89,855,000

Issue	Closing Date	Maturity Date	Interest Rates	Original Issue Amount	Outstanding Amount
2015 Land Bank Note	05/07/2015	05/07/2022	2.750%	$ 13,770,000	$ 7,510,223
			Total	$ 13,770,000	$ 7,510,223

General obligation bonds and certificates of obligation mature annually in varying amounts through 2041. The interest for the bonds is payable semi-annually with interest rates ranging from 1.916% - 6.625%. The City is in compliance with related bond covenants.

In January 2021, the City of Frisco issued Combination Tax and Surplus Revenue Certificates of Obligation, Series 2021 in the amount of $20,315,000 with a net premium of $2,999,957. Proceeds from the sale of the Certificates will be used for (i) constructing improvements and extensions to the City's combined waterworks and sewer system and water re-use system consisting of transmission lines, pump stations and ground storage; (ii) expanding, improving and equipping the City's public works facility; and (iii) to pay the costs associated with the issuance of the Certificates.

In January 2021, the City of Frisco issued General Obligation Refunding and Improvement Bonds, Series 2021, in the amount of $91,430,000 with a net premium of $12,068,625. Proceeds of the sale of the Bonds are to be used for (i) financing permanent improvements for Police and Fire, Streets, Public Works, and the Library; (ii) to refund $16,845,000 of General Obligation Refunding and Improvements Bonds, Series 2011 for debt service savings and (iii) to pay the costs associated with the issuance of the Bonds. The current refunding resulted in the reacquisition price exceeding the net carrying amount of the old debt by $2,300,708. As a result of the transaction the City reduced total debt service payments by $1,141,776 and resulted in an economic gain of $1,168,762.

During the year, the following changes occurred in the long-term liabilities:

Governmental Activities	Balance 9/30/2020	Increases	Decreases	Balance 9/30/2021	Amounts due within one year
Compensated absences	$ 14,709,326	$ 10,719,757	$ 1,166,879	$ 24,262,204	$ 8,565,206
Pensions	32,518,377	-	4,118,301	28,400,076	-
OPEB	3,158,109	812,475	-	3,970,584	-
General obligation bonds	466,300,000	89,950,000	57,530,000	498,720,000	44,645,000
Certificates of obligation	212,645,000	-	10,295,000	202,350,000	10,675,000
Premiums	32,854,435	12,068,625	8,178,330	36,744,730	7,599,189
Discounts	(764,746)	-	(63,103)	(701,643)	(65,016)
Total governmental activities	$ 761,420,501	$ 113,550,857	$ 81,225,407	$ 793,745,951	$ 71,419,379

Business-type Activities	Balance 9/30/2020	Increases	Decreases	Balance 9/30/2021	Amounts due within one year
Compensated absences	$ 1,871,507	$ 1,381,405	$ 191,724	$ 3,061,188	$ 1,338,908
Pensions	5,419,730	-	629,858	4,789,872	-
OPEB	526,350	124,261	-	650,611	-
General obligation bonds	41,825,000	1,480,000	9,530,000	33,775,000	7,105,000
Certificates of obligation	104,870,000	20,315,000	4,855,000	120,330,000	5,690,000
Premiums	7,546,118	2,999,957	2,084,058	8,462,017	1,718,040
Discounts	(373,496)	-	(32,614)	(340,882)	(32,614)
Total business-type activities	161,685,209	26,300,623	17,258,026	170,727,806	15,819,334
Total primary government	$ 923,105,710	$ 139,851,480	$ 98,483,433	$ 964,473,757	$ 87,238,713

Component Unit	Balance 9/30/2020	Increases	Decreases	Balance 9/30/2021	Amounts due within one year
Compensated absences	$ 221,300	$ 93,760	$ 94,240	$ 220,820	$ 125,058
Pensions	774,247	-	96,901	677,346	-
OPEB	75,193	19,117	-	94,310	-
Pollution Remediation Obligation	-	29,000,000	-	29,000,000	-
Sales tax revenue bonds	95,115,000	-	5,260,000	89,855,000	5,435,000
Notes payable – bank	8,344,692	-	834,469	7,510,223	7,510,223
Notes payable – City	22,755,000	-	3,075,000	19,680,000	2,975,000
Premiums	2,040,435	-	517,635	1,522,800	434,152
Discounts	(114,415)	-	(11,475)	(102,940)	(11,475)
Total component units	$ 129,211,452	$ 29,112,877	$ 9,866,770	$ 148,457,559	$ 16,467,958

Debt service requirements of the general obligation bonds and certificates of obligation for the governmental activities for the years subsequent to September 30, 2021, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2022	$ 55,320,000	$ 27,579,820	$ 82,899,820
2023	58,935,000	24,965,329	83,900,329
2024	47,645,000	22,464,099	70,109,099
2025	46,945,000	20,264,828	67,209,828
2026	39,905,000	18,249,063	58,154,063
2027-2031	186,585,000	66,205,914	252,790,914
2032-2036	186,780,000	27,989,365	214,769,365
2037-2041	78,955,000	3,478,725	82,433,725
Total	701,070,000	211,197,143	912,267,143
Plus: Unamortized bond premium	36,744,730	-	36,744,730
Less: Unamortized bond discount	(701,643)	-	(701,643)
Net debt service requirements	$ 737,113,087	$ 211,197,143	$ 948,310,230

Debt service requirements of the general obligation bonds and certificates of obligation for the business-type activities for the years subsequent to September 30, 2021, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2022	$ 12,795,000	$ 5,806,719	$ 18,601,719
2023	13,365,000	5,224,275	18,589,275
2024	12,350,000	4,641,744	16,991,744
2025	11,835,000	4,084,063	15,919,063
2026	11,325,000	3,538,663	14,863,663
2027-2031	41,530,000	11,780,528	53,310,528
2032-2036	37,360,000	4,305,016	41,665,016
2037-2041	13,545,000	523,900	14,068,900
Total	154,105,000	39,904,908	194,009,908
Plus: Unamortized bond premium	8,462,017	-	8,462,017
Less: Unamortized bond discount	(340,882)	-	(340,882)
Net debt service requirements	$ 162,226,135	$ 39,904,908	$ 202,131,043

Debt service requirements of the revenue bonds and notes payable for the Community Development Corporation component unit for the years subsequent to September 30, 2021, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2022	$ 13,455,223	$ 3,079,017	$ 16,534,240
2023	6,195,000	2,622,162	8,817,162
2024	6,460,000	2,369,183	8,829,183
2025	5,670,000	2,122,642	7,792,642
2026	4,885,000	1,900,968	6,785,968
2027-2031	24,050,000	6,583,956	30,633,956
2032-2036	17,290,000	2,018,164	19,308,164
2037-2038	2,645,000	55,330	2,700,330
Total	80,650,223	20,751,422	101,401,645
Plus: Unamortized bond premium	1,522,800	-	1,522,800
Less: Unamortized bond discount	(102,940)	-	(102,940)
Net debt service requirements	$ 82,070,083	$ 20,751,422	$ 102,821,505

The following is a summary of pledged revenues for the Community Development Corporation for the year ended September 30, 2021:

Revenue Pledged	Total Revenue Pledged	Current Year Debt Service Requirements	Pertcenatge Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue will not be Available for Other Purposes
.5% Sales and use tax	$ 27,492,251	$ 4,996,608	18.2%	$70,201,746	Until 2037

Debt service requirements of the revenue bonds and notes payable for the Economic Development Corporation component unit for the years subsequent to September 30, 2021, are as follows:

Fiscal Year Ending September 30	Principal Requirements	Interest Requirements	Total Requirements
2022	$ 2,465,000	$ 1,291,119	$ 3,756,119
2023	2,550,000	1,219,067	3,769,067
2024	2,635,000	1,140,420	3,775,420
2025	2,730,000	1,055,383	3,785,383
2026	2,830,000	960,891	3,790,891
2027-2031	16,040,000	3,106,834	19,146,834
2032-2035	7,145,000	368,313	7,513,313
Total	36,395,000	9,142,027	45,537,027
Net debt service requirements	$ 36,395,000	$ 9,142,027	$ 45,537,027

The following is a summary of pledged revenues for the Economic Development Corporation for the year ended September 30, 2021:

Revenue Pledged	Total Revenue Pledged	Current Year Debt Service Requirements	Pertcenatge Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue will not be Available for Other Purposes
.5% Sales and use tax	$ 27,492,251	$ 3,745,357	13.6%	$45,537,027	Until 2035

Note 9. Tax Abatements

The City enters into economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of Frisco. This program rebates property and sales & use taxes and is authorized under Chapter 380 of the Texas Local Government Code.

The various agreements are detailed below that rebate a percentage of property and/or sales & use taxes. Agreements for rebate of property taxes generally call for rebates of 50% of taxes on incremental values for usually up to 10 years. The agreements for sales & use taxes provide for a rebate of .50% to .85% of the City 1% taxes on incremental values for usually up to 10 years, with the maximum being 25 years. For fiscal year 2021, the City rebated property taxes of $673,015. Sales and use taxes rebated totaled $5,104,561.

Office Development Agreements
To promote economic development and diversity, increase employment, reduce unemployment and underemployment, expand commerce, and stimulate business and commercial activity in the State of Texas, Collin County, Denton County and the City of Frisco, Texas, the City agreed to pay ad valorem tax grants to certain developers. These grants require the construction of minimum square feet of office space and obtaining certificates of occupancy within a specified time period, all of which have been met during the 2021 fiscal year.

An agreement was executed in December 2012 for an office building. The City pays fifty percent (50%) of the ad valorem taxes actually collected by the City that are directly associated with the increase in value in excess of the base year value up to a maximum of $800,000 or 10 years. $146,801 was earned during the current year of this grant.

An agreement was executed in November 2016 for an office building and parking garage. The City pays fifty percent (50%) of the ad valorem taxes actually collected by the City that are directly associated with the increase in value in excess of the base year value up to a maximum of $11,000,000 or 23 years. $232,162 was earned during the current year of this grant.

Retail Development Agreements
To promote economic development and diversity, increase employment, reduce unemployment and underemployment, expand commerce, and stimulate business and commercial activity in the State of Texas, Collin County, Denton County and the City of Frisco, Texas, the City agreed to pay sales tax grants to certain developers. These grants require the construction of minimum square feet of retail space and obtaining certificates of occupancy for certain major retailers within a specified time period, all of which have been met during the 2021 fiscal year.

An agreement was executed in May 2013 for a retail sales center. The City pays eighty-five percent of one percent (.85%) of all retail sales generated for a period of twenty-five years. The City paid $2,021,648 during the current year of this grant.

An agreement was executed with the owner of an entertainment venue in April 2013. This agreement includes a 50% rebate of property taxes for 10 years and one-half of one percent of sales and use taxes (0.50%) for five years. The City paid $11,409 during the current year of the grant.

An agreement was executed in June 2014 with a residential builder for a ten-year period. Payments will be calculated based on eighty percent (.80%) of the City's one percent of use tax levied on housing materials purchased. The City paid $207,736 during the current year of this grant.

An agreement was executed in April 2015 with a residential builder for a ten-year period. Payments will be calculated based on eighty percent (.80%) of the City's one percent of use tax levied on housing materials purchased. The City paid $51,313 during the current year of this grant.

An agreement was executed in August 2015 with a residential builder for a ten-year period. Payments will be calculated based on eighty percent (.80%) of the City's one percent of use tax levied on housing materials purchased. The City paid $128,629 during the current year of this grant.

An agreement was executed in May 2016 for a retail sales center. The City pays one half percent (0.5%) of retail sales generated for a period of ten years. $165,000 was earned during the current year of this grant.

An agreement was executed in May 2016 for a retail sales center. The City pays one half percent (0.5%) of retail sales generated for a period of ten years. $165,000 was earned during the current year of this grant.

An agreement was executed in October 2016 for a retail sales center. The City pays one half percent (0.5%) of retail sales generated for a period of ten years. The City paid $163,574 during the current year of this grant.

An agreement was executed in August 2017 for a retail sales center. The City pays seventy-five percent of one percent (.75%) of all retail sales over a certain dollar amount generated for a period of twenty-five years. The City paid $1,922,758 for the current year of this grant.

An agreement was executed in February 2019 for a retail sales center. The City pays one half (0.5%) of one percent of sales tax for a period of ten years. The City paid $33,351 for the current year of this grant.

An agreement was executed in May 2019 for a retail sales center. The City pays one half (0.5%) of one percent of sales tax for a period of ten years. The City paid $192,609 for the current year of this grant.

Planned Development Mixed Use Agreement

The City has an agreement for the development of thirty-six (36) acres into an urban mixed-use community consisting of residential units, a 4-star hotel and a class A high rise office building. The developer will receive rebates of incremental City property taxes paid on the improvements. The maximum grant amount of rebates for the improvements has a principal balance of $3,000,000 bearing an interest rate of 4.75%, being repayable in three (3) annual installments of interest only and twenty-two (22) successive amortized annual installments of principal and interest. During the year ended September 30, 2021, the City rebated a total of $285,139 for the property tax increment payment for 2020. The cumulative amount rebated through September 30 was $2,047,691.

Note 10. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan is administered by Mission Square Retirement and is classified as a pension plan under the provisions of GASB 97. All assets and income are held in trust for the exclusive benefit of participants and their beneficiaries, and the City does have limited fiduciary responsibilities over the plan offerings and design; this plan is not reported in the financial statements of the City.

The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City does not make contributions to the plan.

Note 11. Defined Benefit Pension Plan

Plan Description
The City of Frisco, including the Economic Development Corporation (EDC) a discretely presented component unit, participates as one of 895 plans in the defined benefit cash balance pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is as statewide, public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of the TMRS with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

All eligible employees of the City and EDC are required to participate in TMRS.

Benefits Provided
TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Members can retire at ages 60 and above with five or more years of service or with 20 years of service regardless of age. A member is vested after five years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes. A summary of plan provisions for the City are as follows:

Employee deposit rate: 7%
Matching ratio (City to employee): 2 to 1
Years required for vesting: 5
Service retirement eligibility: 60/5, 0/20
Updated Service Credit: 100%
Annuity Increase to retirees: 70% of CPI Repeating

Employees Covered by Benefits Terms
At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	233
Inactive employees entitled to but not yet receiving benefits	587
Active employees	1,252
Total	2,072

Contributions
The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarial determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Frisco and EDC were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.2% and 14.54% in calendar years 2020 and 2021, respectively. The City's and EDC's contributions to TMRS for the year ended September 30, 2021 were $14,757,433 and were equal to the required contributions.

Net Pension Liability
The City's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions
The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation

Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
	100%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances, beginning of year	$ 307,523,619	$ 268,811,265	$ 38,712,354
Changes for the year:			
Service cost	18,245,043	-	18,245,043
Interest	21,202,716	-	21,202,716
Difference between expected and actual experience	(3,100,440)	-	(3,100,440)
Contributions-employer	-	13,926,984	(13,926,984)
Contributions-employee	-	6,942,714	(6,942,714)
Net investment income	-	20,459,865	(20,459,865)
Benefit payments, including refunds of employee contributions	(5,063,651)	(5,063,651)	-
Administrative expense	-	(132,032)	132,032
Other changes	-	(5,152)	5,152
Net changes	31,283,668	36,128,728	(4,845,060)
Balances, end of year	$ 338,807,287	$ 304,939,993	$ 33,867,294

Changes in the Net Pension Liability of the City & EDC

	City	EDC	Totals
Balances, beginning of year	$ 37,938,107	$ 774,247	$ 38,712,354
Changes for the year:			
Service cost	17,880,142	364,901	18,245,043
Interest	20,778,662	424,054	21,202,716
Difference between expected and actual experience	(3,038,431)	(62,009)	(3,100,440)
Contributions-employer	(13,648,444)	(278,540)	(13,926,984)
Contributions-employee	(6,803,860)	(138,854)	(6,942,714)
Net investment income	(20,050,668)	(409,197)	(20,459,865)
Administrative expense	129,391	2,641	132,032
Other changes	5,049	103	5,152
Net changes	(4,748,159)	(96,901)	(4,845,060)
Balances, end of year	$ 33,189,948	$ 677,346	$ 33,867,294

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate
The following presents the net pension liability/(asset) of the City and EDC, calculated using the discount rate of 6.75%, as well as what the City's and EDC's net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
City's & EDC's Net Pension Liability/(Asset)	$ 93,193,810	$ 33,867,294	$ (13,963,812)

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. The report may be obtained online at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
For the year ended September 30, 2021, the City and EDC recognized pension expense of $12,018,098; $11,777,736 for the City and $240,362 for the EDC.

At September 30, 2021, the City and EDC reported deferred outflows and inflows of resources related to pensions from the following sources:

Deferred Outflows and Inflows - City

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,295,908	$ 2,811,031
Changes of assumptions	501,760	272,427
Net difference between projected and actual earnings on pension plan investments	-	7,446,030
Contributions subsequent to the measurement date	10,657,309	-
Total	$ 14,454,977	$ 10,529,488

Deferred Outflows and Inflows - EDC

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 67,263	$ 57,368
Changes of assumptions	10,240	5,560
Net difference between projected and actual earnings on pension plan investments	-	151,960
Contributions subsequent to the measurement date	217,497	-
Total	$ 295,000	$ 214,888

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $10,657,309 for the City and $217,497 contributed for the EDC, will be recognized as a reduction of the net pension liability for measurement year ending December 31, 2021 (i.e. recognized in the City's and EDC's financial statements September 30, 2022). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	City	EDC	Total
2022	$ (2,364,146)	$ (48,249)	$ (2,412,395)
2023	326,852	6,670	333,522
2024	(3,719,477)	(75,908)	(3,795,385)
2025	(347,976)	(7,102)	(355,078)
2026	(157,733)	(3,219)	(160,952)
Thereafter	(469,340)	(9,577)	(478,917)
Total	$ (6,731,820)	$ (137,385)	$ (6,869,205)

Allocation of Pension Items
Pension items are allocated between the City's governmental activities, City's business-type activities, and the EDC on the basis of employee payroll funding. For the City's governmental activities, the net pension liability is liquidated by the General Fund and Hotel/Motel Tax Fund. For the City's business-type activities, the net pension liability is liquidated by the Water & Sewer Fund, Stormwater Drainage Fund, and Environmental Services Fund.

Note 12. Other Postemployment Benefits

Plans Descriptions
The City and EDC provide a postemployment health insurance plan that retirees can purchase through age 65, but they are responsible for 100% of the premium costs and this plan is not part of the City's active employee plan. The City incurs no cost for providing these benefits, as retirees are included in a separate risk pool, however, there is an implicit rate subsidy and the City and EDC have a measurable OPEB liability, which is accounted for in the OPEB liability.

The City and EDC also participate in a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF) administered by the Texas Municipal Retirement System (TMRS). The City has elected, by ordinance, to participate in this program and provide group-term life insurance coverage for their active members and retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be a single-employer unfunded OPEB plan under paragraph 4, item (b) of GASB Statement No. 75. The City's OPEB plan does not issue separate financial statements.

Benefits
The City offers its retired employees and their spouses under age 65 health insurance coverage under the separate plan from the active employees. Employees can retire and receive benefits upon reaching age 60 with five years of service or with 20 years of service. Only pre-Medicare benefits are provided. Spouses receive benefits based on their Medicare eligibility age.

TMRS provides death benefits for active employees providing a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12–month period preceding the month of death). The death benefit for retirees is considered other postemployment benefit (OPEB) and is a fixed amount of $7,500.

Employees Covered by Benefit Terms
For retiree health insurance at the September 30, 2021 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	9
Active employees	1,234
Total	1,243

For TMRS supplemental death at the December 31, 2020 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	180
Inactive employees entitled to but not yet receiving benefits	144
Active employees	1,252
Total	1,576

Contributions
For retiree health insurance, retirees and their spouses currently receiving benefits are required to pay specified amounts monthly toward the cost of health insurance premiums.

Monthly retiree premium rates are as follows:

Retiree Premiums	Retiree	Retiree + Spouse
EPO High Deductible	$ 911	$ 1,760
EPO Low Deductible	$ 1,036	$ 1,981

The City and EDC contribute to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefits for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

Contributions are made monthly based on the covered payroll of the city. The contractually required contribution rate is determined annually for the City and EDC. The rate is based on mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the City and EDC. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

The retiree portion of the contribution rates to the SDBF for the City and EDC were 0.01% and 0.02% in calendar years 2020 and 2021, respectively. The City's and EDC's contributions to the SDBF for the year ended September 30, 2021 were $10,213 and were equal to the required contributions.

Total OPEB Liability

The retiree health insurance total OPEB liability was measured as of September 30, 2021 and was determined by an actuarial valuation as of October 1, 2020.

The TMRS supplemental death total OPEB liability was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The retiree health insurance total OPEB liability in the October 1, 2020 actuarial valuation was determined using the following actuarial assumptions:

Discount rate	2.15% (2.21% in prior year)
Mortality table	Pub-2010 Safety and General Mortality Tables, weighted by headcount, projected with scale MP-2021
Salary scale	Graded scale based on age and particpant group
Plan participation rates	0% for retirements prior to age 50 5% for retirements between ages 50-59 20% for retirements at ages 60 and later
Healthcare cost trend rate	
Current rate (medical/Rx)	5.00% / 7.50%
Ulitmate rate (medical/Rx)	4.80% / 4.80%
Year ultimate is reached (medical/Rx)	2027 / 2035

The discount rate was selected by City of Frisco based on the Bond Buyer 20-Bond General Obligation Index to reflect yields on long-term municipal bonds as of the measurement date.

The TMRS supplemental death total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary increases	3.50% to 11.5% including inflation
Discount rate*	2% (2.75% in prior year)
Retirees' share of benefit-related costs	$0
Administrative expense	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and a 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

*The discount rate was based on the Fidelity index's "20-Year Municipal GO AA Index" rate as of December, 31 2020.

Changes in Total OPEB Liability Retiree Health Insurance	City	EDC	Totals
Balance, beginning of year	$ 1,757,039	$ 35,858	$ 1,792,897
Changes for the year:			
Service cost	183,288	3,740	187,028
Interest on the total OPEB liability	47,052	960	48,012
Difference between expected and actual experience	332,394	6,784	339,178
Changes in assumptions or other inputs	(57,728)	(1,178)	(58,906)
Benefit payments	(105,270)	(2,148)	(107,418)
Net changes	399,736	8,158	407,894
Balance, end of year	$ 2,156,775	$ 44,016	$ 2,200,791

Changes in Total OPEB Liability TMRS Supplemental Death	City	EDC	Totals
Balance, beginning of year	$ 1,927,420	$ 39,335	$ 1,966,755
Changes for the year:			
Service cost	174,158	3,553	177,711
Interest on the total OPEB liability	55,266	1,128	56,394
Difference between expected and actual experience	(70,723)	(1,443)	(72,166)
Changes in assumptions or other inputs	387,975	7,918	395,893
Benefit payments **	(9,676)	(197)	(9,873)
Net changes	537,000	10,959	547,959
Balance, end of year	$ 2,464,420	$ 50,294	$ 2,514,714

**Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Sensitivity of the Total OPEB Liability to changes in the discount rate.
The following presents the total OPEB liability of the City's and EDC's retiree health insurance calculated using the discount rate of 2.15%, as well as what the City's and EDC's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.15%) or 1 percentage point higher (3.15%) than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
City's & EDC's OPEB	$ 2,433,330	$ 2,200,791	$ 1,988,155

The following presents the total OPEB liability of the City's and EDC's TMRS supplemental plan calculated using the discount rate of 2.00%, as well as what the City's and EDC's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.00%) or 1 percentage point higher (3.00%) than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
City's & EDC's OPEB	$ 3,194,653	$ 2,514,714	$ 2,004,539

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.
The following presents the total OPEB liability of the City and EDC retiree health insurance, as well as what the City's and EDC's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate.

	1% Decrease	Current Healthcare Rate	1% Increase
City's & EDC's OPEB	$ 1,887,806	$ 2,200,791	$ 2,577,617

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the City recognized OPEB expense of $299,257 for TMRS Supplemental Death and ($225,032) for Retiree Health Insurance. The EDC also recognized OPEB expense of $6,107 for TMRS Supplemental Death and ($4,593) for Retiree Health Insurance. At September 30, 2021, the City and EDC reported deferred outflows and inflows of resources related to OPEB from the following resources:

Retiree Health Insurance

Deferred Outflows and Inflows - City

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 292,491	$ 2,310,506
Changes of assumptions	583,261	1,182,688
Total	$ 875,752	$ 3,493,194

Deferred Outflows and Inflows - EDC

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,969	$ 47,153
Changes of assumptions	11,903	24,136
Total	$ 17,872	$ 71,289

TMRS Supplemental Death

Deferred Outflows and Inflows - City

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 74,045	$ 200,016
Changes of assumptions	713,492	86,553
Contributions subsequent to the measurement date	7,329	-
Total	$ 794,866	$ 286,569

Deferred Outflows and Inflows - EDC

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,511	$ 4,083
Changes of assumptions	14,561	1,766
Contributions subsequent to the measurement date	150	-
Total	$ 16,222	$ 5,849

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of $7,479 will be recognized as a reduction of the total OPEB liability in the City's financial statements as of September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Retiree Health Insurance

Fiscal Year	City	EDC	Total
2022	$ (455,372)	$ (9,293)	$ (464,665)
2023	(455,372)	(9,293)	(464,665)
2024	(455,372)	(9,293)	(464,665)
2025	(448,982)	(9,163)	(458,145)
2026	(441,366)	(9,007)	(450,373)
Thereafter	(360,978)	(7,368)	(368,346)
Total	$ (2,617,442)	$ (53,417)	$ (2,670,859)

TMRS Supplemental Death

Fiscal Year	City	EDC	Total
2022	$ 70,160	$ 1,432	$ 71,592
2023	70,160	1,432	71,592
2024	70,160	1,432	71,592
2025	70,160	1,432	71,592
2026	70,160	1,432	71,592
Thereafter	150,168	3,063	153,231
Total	$ 500,968	$ 10,223	$ 511,191

Allocation of OPEB Items

OPEB items are allocated between the City's governmental activities, City's business-type activities, and the EDC on the basis of employee payroll funding. For the City's governmental activities, the total OPEB liability is liquidated by the General Fund and Hotel/Motel Tax Fund. For the City's business-type activities, the total OPEB liability is liquidated by the Water & Sewer Fund, Stormwater Drainage Fund, and Environmental Services Fund.

Note 13. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City is a participant in the Texas Municipal League Workers' Compensation Joint Insurance Fund (WC Fund) and the Texas Municipal League Joint Self-Insurance Fund (Property-Liability Fund), a public entity risk pool operated by the Texas Municipal League Board for the benefit of individual governmental units located within Texas. The government pays an annual premium to the Funds for its workers' compensation and property and liability insurance coverage. The WC Fund and Property-Liability Fund are considered self-sustaining risk pools that provide coverage for its members for up to $1,000,000 per event, and $2,000,000 in aggregate. There were no significant reductions in insurance coverage from the previous year. Settled claims for risk have not exceeded insurance coverage for the past three years.

During FY 2021, the City participated in a modified self-insurance program for Employee Benefits. Group medical benefits were administered by a third-party insurance provider. The City offers two plans with payroll deductions set aside to cover the monthly claims. The annually negotiated stop loss provision for 2021 was $250,000 per occurrence and 125% cap of claims.

The liabilities for insurance claims reported are based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an estimate for incurred but not reported claims. The estimated claims incurred but not reported as of September 30, 2021 totaled $2,750,000, which are recorded as a liability in the General Fund accounts payable. Changes in the liability for the past three years:

Claim Year	Liability Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Liability End of Year
2019 - Health Insurance	2,600,000	17,164,972	17,264,972	2,500,000
2020 - Health Insurance	2,500,000	18,384,174	18,234,174	2,650,000
2021 - Health Insurance	2,650,000	21,148,573	21,048,573	2,750,000

Note 14. Interfund Receivables and Payables

All interfund receivables and payables are considered short-term and, at September 30, 2021, consisted of the following:

	Due From	
Due to	Nonmajor Governmental	Total
General Fund	$ 1,543,197	$ 1,543,197
Total	$ 1,543,197	$ 1,543,197

All balances resulted from the time lag between the dates that transactions are recorded in the accounting system and that payments between funds are made.

The City reports interfund transfers between many of its funds. The sum of all transfers presented in the table agrees with the sum of interfund transfers presented in the governmental and proprietary fund financial statements.

	Transfers From				
Transfers to	General Fund	TIRZ #1	Nonmajor Governmental	Nonmajor Proprietary	Total
General Fund	$ -	$ -	$ 84,000	$ 1,048,793	$ 1,132,793
TIRZ #1	-	-	1,718,778	-	1,718,778
Capital projects	341,841	-	13,433,315	1,542,326	15,317,482
Debt service	-	24,352,606	2,512,150	-	26,864,756
Nonmajor governmental	741,918	-	-	-	741,918
Water & Sewer	-	-	-	400,982	400,982
Total	$ 1,083,759	$ 24,352,606	$17,748,243	$ 2,992,101	$46,176,709

Transfer from fund	Transfer to fund	Amount
General Fund:		
Grant matching funds	Nonmajor Governmental Funds - Grants	$ 741,918
Capital outlay funding	Capital Projects	341,841
TIRZ #1 Fund:		
Debt service funding requirements	Debt Service	24,352,606
Nonmajor Governmental Funds:		
Debt service funding requirements	TIRZ #1	1,718,778
Debt service funding requirements	Debt Service	2,512,150
Court warrant officer funding	General Fund	84,000
Capital outlay funding	Capital Projects	13,433,315
Proprietary Funds:		
G&A for Environmental Services	General Fund	948,793
G&A for Stormwater Drainage	General Fund	100,000
G&A Stormwater Drainage	Water & Sewer Fund	63,428
G&A Environmental Services	Water & Sewer Fund	337,554
Capital outlay funding	Capital Projects	1,542,326
Total		$ 46,176,709

Note 15. Operating Lease Commitments

Leases Payable

The City entered into rental agreements in excess of one year during prior fiscal years. During fiscal year 2021, the City entered into additional agreements in excess of one year. The following commitments remain:

FY	At September 30
2022	$ 396,819
2023	365,023
2024	57,430
Total	$ 819,272

Rent paid under operating leases was approximately $460,592 for the year ended September 30, 2021.

Leases Receivable
The City leases stadiums to several local sports teams. The City approved rent relief to one of those teams for FY21 due to the COVID-19 pandemic. In order to repay the deferred rent, the team will pay an additional annual amount of $114,000 per year for five years through an amended lease agreement. The first payment of $28,500 was made for the July through September 2021 quarter. Payments will continue until the deferred rent is paid in full.

Minimum future rentals on noncancellable operating leases as of September 30, 2021 are as follows:

FY	Operating Leases
2022	$ 6,534,232
2023	6,526,722
2024	5,291,311
2025	5,185,018
2026	4,359,083
2027-2031	20,387,526
2032-2067	15,855,055

Note 16. Contingent Liabilities

The City has participated in state and federally assisted grant programs. These programs are subject to program compliance audits and adjustments by the grantor agencies or their representatives. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

In June 2006, the North Texas Municipal Water District issued $35,235,000 in revenue bonds, series 2006. This bond issue is for the purpose of constructing the Panther Creek Wastewater System benefiting the City of Frisco. In March 2009, an additional $20,210,000 in revenue bonds, series 2009 was issued for expansion of the system. In 2014, an additional bond issue refunded a portion of the 2006 revenue bonds. In 2017, an additional bond issue refunded a portion of the 2009 revenue bond. In May 2020, $5,200,000 in revenue bonds, series 2020, was issued for the design of the next expansion. The outstanding principal of the revenue bonds at September 30, 2021 is $25,305,000.

In 2015, the North Texas Municipal Water District issued bonds for the purpose of constructing the Stewart Creek West Regional Wastewater System. The outstanding principal of these bonds at September 30, 2021 is $50,650,000.

The City's contractual minimum payment is required to cover the full cost of service including the principal and interest payments incurred related to this debt. The City of Frisco is in full compliance with this agreement at September 30, 2021.

Monies Held in Escrow
The City collects and holds money from approved developer agreements and other private construction commitments assessed during the permitting process. The monies held in escrow are either refunded once the developer has completely fulfilled their commitment or applied to revenue to reimburse for the City's cost in completing the obligation.

Note 17. Litigation

The City is party to several legal actions arising in the ordinary course of business. In the opinion of the City's management, the City has adequate legal defense and/or insurance coverage regarding each of these actions and does not believe that they will materially affect the City's operations or financial position.

Note 18. Component Unit Pollution Remediation Obligations

In FY 2021 the FCDC purchased the former battery recycling plant site and agreed to take over full ownership and remediation. The FCDC has worked with Texas Commission on Environmental Quality (TCEQ), external consultants and City staff to define the estimated cost of remediation at $29 million based on the level of pollution present. The City measured and recorded the $29 million liability with estimates from TCEQ and are within a reasonable range of potential outlays based on the cost of the expected remediation contract. The City does expect recoveries from insurance proceeds held by TCEQ. With an approved trust agreement, TCEQ will deposit $25 million into a trust in the FCDC name and dedicated to remediation. Future maintenance and operations will be funded by a $2 per cart, per month increase in garbage fees and a 2% increase in commercial fees.

Note 19. Subsequent Events

Changes in Financing

In December 2021, the City of Frisco issued $88,275,000 of General Obligation Refunding and Improvement Bonds, Series 2022 for the purpose of financing the improvements/construction for City Hall, Library, Public Safety, Streets and Parks/Trails and for refunding General Obligation Refunding Bonds, Series 2012 to lower the overall debt service requirements of the City.

In December 2021, the City of Frisco issued $13,855,000 of Combination Tax and Surplus Revenue Certificates of Obligation, Series 2022A Bonds for the purpose of improvements to the water, sewer and water reuse system, and construction of streets and related drainage, lighting, pedestrian walkways and signage.

In December 2021, The City of Frisco issued $39,510,000 of Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2022B Bonds for the purpose of the design and construction of a City-owned public parking garage, renovations and improvements to the City's baseball stadium and the construction and improvements to streets and roads, and related drainage, lighting, pedestrian walkways.

In December 2021, the City of Frisco issued $12,000,000 of General Obligation Bonds, Taxable Series 2022 for the purpose of constructing and improving the cultural arts and science center.

In January 2022, The Frisco Community Development Corporation issued $15,535,000 of Sales Tax Revenue Refunding Bonds, Taxable Series 2022 for the purpose of refunding Sales Tax Revenue Bonds, Taxable Series 2012 to lower the overall debt service requirements of the Frisco Community Development Corporation.

In January 2022, the Frisco Economic Development Corporation issued $16,515,000 of Sales Tax Revenue Refunding Bonds, Taxable Series 2022 for the purpose of refunding Sales Tax Revenue Bond, Taxable Series 2012 to lower the overall debt service requirements of the Frisco Economic Development Corporation.

REQUIRED SUPPLEMENTARY INFORMATION

City of Frisco

Schedule of Changes in the City's Net Pension Liability and Related Ratios
Texas Municipal Retirement System
Last 7 Years

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020
Total pension liability:							
Service cost	$ 9,985,109	$ 12,146,969	$ 13,533,172	$ 14,945,284	$ 16,288,615	$ 17,366,021	$ 18,245,043
Interest	10,863,498	12,134,224	13,102,946	14,856,079	16,872,785	18,927,503	21,202,716
Difference between expected and actual experience	(1,557,705)	(320,688)	1,645,340	3,176,149	1,087,595	1,034,411	(3,100,440)
Change in assumptions	-	(1,452,583)	-	-	-	713,574	-
Benefit payments, including refunds of employee contributions	(2,274,946)	(2,162,276)	(2,696,424)	(3,333,927)	(4,210,187)	(4,484,667)	(5,063,651)
Net change in total pension liability	17,015,956	20,345,646	25,585,034	29,643,585	30,038,808	33,556,842	31,283,668
Total pension liability - beginning	151,337,748	168,353,704	188,699,350	214,284,384	243,927,969	273,966,777	307,523,619
Total pension liability - ending (a)	168,353,704	188,699,350	214,284,384	243,927,969	273,966,777	307,523,619	338,807,287
Plan fiduciary net position:							
Contributions - employer	7,982,625	9,779,163	10,375,914	11,609,557	12,628,932	13,588,719	13,926,984
Contributions - employee	4,173,145	4,790,759	5,187,963	5,739,055	6,272,474	6,693,951	6,942,714
Net investment income	6,923,943	203,262	10,161,230	24,019,515	(6,331,968)	33,979,152	20,459,865
Benefit payments, including refunds of employee contributions	(2,274,946)	(2,162,276)	(2,696,424)	(3,333,927)	(4,210,187)	(4,484,667)	(5,063,651)
Administrative expense	(72,257)	(123,767)	(114,632)	(124,330)	(122,154)	(191,510)	(132,032)
Other	(5,941)	(6,113)	(6,176)	(6,302)	(6,380)	(5,754)	(5,152)
Net change in plan fiduciary net position	16,726,569	12,481,028	22,907,875	37,903,568	8,230,717	49,579,891	36,128,728
Plan fiduciary net position - beginning	120,981,617	137,708,186	150,189,214	173,097,089	211,000,657	219,231,374	268,811,265
Plan fiduciary net position - ending (b)	137,708,186	150,189,214	173,097,089	211,000,657	219,231,374	268,811,265	304,939,993
Net pension liability - ending (a) - (b)	$ 30,645,518	$ 38,510,136	$ 41,187,295	$ 32,927,312	$ 54,735,403	$ 38,712,354	$ 33,867,294
Plan fiduciary net position as a percentage of total pension liability	81.80%	79.59%	80.78%	86.50%	80.02%	87.41%	90.00%
Covered payroll	$ 59,616,360	$ 68,433,626	$ 74,113,757	$ 81,936,863	$ 89,252,684	$ 95,627,868	$ 98,728,589
Net pension liability as a percentage of covered payroll	51.40%	56.27%	55.57%	40.19%	61.33%	40.48%	34.30%

Notes to Schedule: Historical data not available - GASB 68 implemented in FY 2015.

City of Frisco
Schedule of City Contributions
Texas Municipal Retirement System
Last 7 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	$ 9,034,646	$ 10,290,995	$ 11,367,240	$ 12,458,770	$ 13,445,761	$ 13,956,038	$ 14,757,433
Contributions in relation to the actuarially determined contribution	9,034,646	10,290,995	11,367,240	12,458,770	13,445,761	13,956,038	14,757,433
Contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 63,590,086	$ 64,421,645	$ 79,650,345	$ 87,320,494	$ 93,902,520	$ 98,020,196	$ 102,134,782
Contributions as a percentage of covered payroll	14.21%	15.97%	14.27%	14.27%	14.32%	14.24%	14.45%

Notes to Schedule of Contributions

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years
Asset valuation method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary increases	3.50% to 11.5% including inflation
Investment rate of return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with Scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with Scale UMP.
Other information:	
Notes	There were no benefit changes during the year.

Notes to Schedule: Historical data not available - GASB 68 implemented in FY 2015.

City of Frisco

Schedule of Changes in the City's Total OPEB Liability and Related Ratios
TMRS Supplemental Death
Last 4 Years

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020
Total OPEB liability:				
Service cost	$ 106,518	$ 133,879	$ 124,316	$ 177,711
Interest	45,281	49,513	61,071	56,394
Differences between expected and actual experience	-	113,083	(179,892)	(72,166)
Change in assumptions	141,034	(132,188)	382,085	395,893
Benefit payments, including refunds of employee contributions	(8,194)	(8,925)	(9,563)	(9,873)
Net change in total OPEB liability	284,639	155,362	378,017	547,959
Total OPEB liability - beginning	1,148,737	1,433,376	1,588,738	1,966,755
Total OPEB liability - ending	$ 1,433,376	$ 1,588,738	$ 1,966,755	$ 2,514,714
Covered-employee payroll	$ 81,936,863	$ 89,252,684	$ 95,627,868	$ 98,728,589
Total OPEB liability as a percentage of covered-employee payroll	1.75%	1.78%	2.06%	2.55%

Valuation Date:

Actuarial valuation date	December 31, 2020
Measurement date	December 31, 2020
Last experience study date	Period December 31, 2014 to December 31, 2018

Methods and assumptions used to determine contribution rates:

Inflation	2.5%
Salary increases	3.50% to 11.5% including inflation
Discount rate as of measurement date	2.00%
Retirees' share of benefit-related costs	$0
Adminstrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rate are projected on a fully generational basis with Scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and a 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.
Changes in discount rate	The discount rate changed from 2.75% in the prior year to 2.00%

Other Information:

Notes	There were no benefit changes during the year.

Notes to Schedule:
Historical data not available - GASB 75 implemented in FY 2018.
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

City of Frisco

Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Retiree Health Insurance
Last 4 Years

	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021
Total OPEB liability:				
Service cost	$ 344,784	$ 336,696	$ 510,603	$ 187,028
Interest	161,496	203,940	164,355	48,012
Differences between expected and actual experience	-	(835,941)	(2,475,354)	339,178
Change in assumptions	(156,560)	977,496	(1,446,062)	(58,906)
Benefit payments, including refunds of employee contributions	20,225	18,495	(125,394)	(107,418)
Net change in total OPEB liability	369,945	700,686	(3,371,852)	407,894
Total OPEB liability - beginning	4,094,118	4,464,063	5,164,749	1,792,897
Total OPEB liability - ending	$ 4,464,063	$ 5,164,749	$ 1,792,897	$ 2,200,791
Covered-employee payroll	$ 89,564,242	$ 96,215,258	$ 99,251,317	$ 103,704,002
Total OPEB liability as a percentage of covered-employee payroll	4.98%	5.37%	1.81%	2.12%

Valuation Date:

Actuarial valuation date	October 1, 2020
Measurement date	September 30, 2021
Last experience study date	September 30, 2021

Methods and assumptions used to determine contribution rates:

Discount rate	2.15%
Mortality table	Pub-2010 Safety and General Mortality Tables, weighted by headcount, projected with scale MP-2021.
Salary scale	Graded scale based on agea and participant group
Plan participation rates	0% for retirements prior to age 50, 5% for retirements between ages 50-59, 20% for retirements at ages 60 and later.
Changes in assumptions	The retirement and termination rates tables were updated. Salary scale assumptions were changed from being based on years of service to a graded scale based on age and participant group.
Changes in discount rate	The discount rate changed from 2.21% in the prior year to 2.15%

Healthcare trend rate:

Current rate (medcial/Rx)	5.00% / 7.50%
Ultimate rate (medical/Rx)	4.80% / 4.80%
Year ultimate rate is reached (medical/Rx	2027 / 2035

Other Information:

Notes	There were no benefit changes during the year.

Notes to Schedule:
Historical data not available - GASB 75 implemented in FY 2018.
No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

FRISCO
PROGRESS IN MOTION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

FRISCO
PROGRESS IN MOTION

BUDGET TO ACTUAL COMPARISON
MAJOR FUNDS

City of Frisco

Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -
Charges for services	-	-	1,055,434	-	1,055,434	1,055,434
Investment earnings	-	145,516	145,516	-	145,516	-
Contributions, donations and grants	-	1,197,933	2,345,380	-	2,345,380	1,147,447
Payments from component units	4,950,000	749,717	749,717	-	749,717	-
Miscellaneous	-	-	317,690	-	317,690	317,690
Total revenues	4,950,000	2,093,166	4,613,737	-	4,613,737	2,520,571
EXPENDITURES						
General government	-	804,312	804,312	-	804,312	-
Capital outlay	88,475,000	312,594,778	59,151,370	47,260,046	106,411,416	206,183,362
Debt service	576,200	503,185	265,670	-	265,670	237,515
Total expenditures	89,051,200	313,902,275	60,221,352	47,260,046	107,481,398	206,420,877
Deficiency of revenues under expenditures	(84,101,200)	(311,809,109)	(55,607,615)	(47,260,046)	(102,867,661)	208,941,448
OTHER FINANCING SOURCES (USES)						
Issuance of debt	86,000,000	75,925,738	75,925,738	-	75,925,738	-
Premium on bonds issued	-	10,074,262	10,337,132	-	10,337,132	262,870
Proceeds from sale of asset	-	-	70,000	-	70,000	70,000
Transfers in	2,375,000	15,317,482	15,317,482	-	15,317,482	-
Total other financing sources (uses)	88,375,000	101,317,482	101,650,352	-	101,650,352	332,870
Net change in fund balance	4,273,800	(210,491,627)	46,042,737	(47,260,046)	(1,217,309)	209,274,318
Fund balance, beginning	20,229,176	227,974,619	227,974,619	(44,182,704)	183,791,915	(44,182,704)
Fund balance, ending	$ 24,502,976	$ 17,482,992	$ 274,017,356	$ (91,442,750)	$ 182,574,606	$ 165,091,614

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses From GAAP Basis to Budgetary Basis
For the Year Ended September 30, 2021

	Net Change in Fund Balance
GAAP basis	$ 46,042,737
Expenditures:	
Increase due to encumbrances from prior year	44,182,704
Decrease due to encumbrances from current year	(91,442,750)
Budgetary basis	$ (1,217,309)

City of Frisco

Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes:						
Property	$ 47,333,129	$ 46,364,991	$ 46,517,078	$ -	$ 46,517,078	$ 152,087
Investment earnings	48,000	5,477	5,477	-	5,477	-
Payments from component units	1,982,317	1,982,316	1,982,316	-	1,982,316	-
Total revenues	49,363,446	48,352,784	48,504,871	-	48,504,871	152,087
EXPENDITURES						
Debt service	76,405,589	77,551,002	77,551,002	-	77,551,002	-
Total expenditures	76,405,589	77,551,002	77,551,002	-	77,551,002	-
Deficiency of revenues under expenditures	(27,042,143)	(29,198,218)	(29,046,131)	-	(29,046,131)	152,087
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	14,024,262	14,024,262	-	14,024,262	-
Premium on bonds issued	-	1,731,493	1,731,493	-	1,731,493	-
Payment to refunded debt escrow agent	-	(15,620,599)	(15,620,165)	-	(15,620,165)	434
Transfers in	26,747,270	26,864,756	26,864,756	-	26,864,756	-
Total other financing sources (uses)	26,747,270	26,999,912	27,000,346	-	27,000,346	434
Net change in fund balance	(294,873)	(2,198,306)	(2,045,785)	-	(2,045,785)	152,521
Fund balance, beginning	5,217,088	5,379,166	5,379,166	-	5,379,166	-
Fund balance, ending	$ 4,922,215	$ 3,180,860	$ 3,333,381	$ -	$ 3,333,381	$ 152,521

FRISCO
PROGRESS IN MOTION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for certain purposes.

Hotel/Motel Tax Fund - This fund is used to account for revenues specifically restricted to encourage tourism, historical preservation and promote the City of Frisco.

Panther Creek Public Improvement District (PID) - This fund was established to account for assessments charged to property owners of the Panther Creek Estates.

Grants Fund - This fund is established to account for grants awarded to the City of Frisco in the governmental funds.

CDBG Fund - This fund was created to account for the Community Development Block Grant program revenues and expenditures.

Traffic Control Enforcement Fund - This fund was established to account for the automated red light enforcement system implemented by the City.

TIRZ #5 - This fund was established to account for the property taxes and sales taxes collected within the tax increment reinvestment zone #5.

Court Fees Fund - This fund was established to account for special fees collected in the Municipal Court including the technology fees, building security fees and court improvement fees.

PEG Cable Fund - This fund was established to account for franchise fees collected for the Public Educational & Governmental Television production.

Capital Projects Funds

Road Impact Fees Fund - This fund accounts for the collection of impact fees, which are transferred to the Capital Projects Fund or Debt Service Fund as needed to fund infrastructure.

Park Development Fees Fund - This fund accounts for the collection of park dedication fees, which are transferred to the Capital Projects Fund as needed to fund park development and infrastructure.

City of Frisco
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021

	Special Revenue			
	Hotel/Motel Tax	Panther Creek PID	Grants	CDBG
ASSETS				
Cash and cash equivalents	$ 2,497,801	$ 10,640	$ 10,841,665	$ -
Investments	-	-	-	-
Receivables: (net of allowances for uncollectibles)				
Franchise tax	-	-	-	-
Occupancy tax	497,799	-	-	-
Grants	-	-	1,555,313	145,030
Assessments	-	334,914	-	-
Other	5,146	-	-	-
Prepaids	259,913	-	-	-
Total assets	$ 3,260,659	$ 345,554	$ 12,396,978	$ 145,030
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	5,148	2,412	31,148	73,285
Accrued liabilities	69,668	-	-	-
Unearned revenue	-	334,914	10,894,378	-
Monies held in escrow	-	-	-	-
Due to other funds	-	-	1,471,452	71,745
Total liabilities	74,816	337,326	12,396,978	145,030
FUND BALANCES				
Unspendable	259,913	-	-	-
Restricted	2,925,930	8,228	-	-
Total fund balances	3,185,843	8,228	-	-
Total liabilities and fund balances	$ 3,260,659	$ 345,554	$ 12,396,978	$ 145,030

					Capital Projects		
Traffic Control Enforcement	TIRZ #5	Court Fees	PEG Cable	Road Impact Fees	Park Development Fees	Total Nonmajor Governmental Funds
$ 96,115	$ 497,245	$ 170,261	$ 494,146	$ 6,350,870	$ 9,430,570	$ 30,389,313
-	-	-	705,415	26,057,736	11,590,899	38,354,050
-	-	-	67,540	-	-	67,540
-	-	-	-	-	-	497,799
-	-	-	-	-	-	1,700,343
-	-	-	-	-	-	334,914
-	-	-	394	69,291	43,984	118,815
-	-	-	-	-	-	259,913
$ 96,115	$ 497,245	$ 170,261	$ 1,267,495	$ 32,477,897	$ 21,065,453	$ 71,722,687
600	-	4,335	-	-	-	116,928
-	-	-	-	-	-	69,668
-	-	-	-	-	-	11,229,292
-	-	-	-	451,511	-	451,511
-	-	-	-	-	-	1,543,197
600	-	4,335	-	451,511	-	13,410,596
-	-	-	-	-	-	259,913
95,515	497,245	165,926	1,267,495	32,026,386	21,065,453	58,052,178
95,515	497,245	165,926	1,267,495	32,026,386	21,065,453	58,312,091
$ 96,115	$ 497,245	$ 170,261	$ 1,267,495	$ 32,477,897	$ 21,065,453	$ 71,722,687

City of Frisco
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2021

	Special Revenue			
	Hotel/Motel Tax	Panther Creek PID	Grants	CDBG
REVENUES				
Property tax	$ -	$ -	$ -	$ -
Sales tax	-	-	-	-
Franchise tax	-	-	-	-
Hotel/motel tax	4,716,757	-	-	-
Special assessments	-	130,851	-	-
Fines	-	-	-	-
Intergovernmental	1,951,607	-	-	-
Charges for services	120	-	-	-
Contributions, donations and grants	20,411	-	10,750,637	655,563
Rents	10,000	-	-	-
Investment earnings	623	40,124	3,171	-
Payments from component units	2,000,000	-	-	-
Miscellaneous	-	-	-	9,434
Total revenues	8,699,518	170,975	10,753,808	664,997
EXPENDITURES				
Current:				
General government	-	-	4,578,996	664,997
Public safety	-	-	6,028,003	-
Public works	-	-	330,920	-
Culture and recreation	4,084,600	-	-	-
Capital outlay	-	-	188,329	-
Total expenditures	4,084,600	-	11,126,248	664,997
Excess (deficiency) of revenues over (under) expenditures	4,614,918	170,975	(372,440)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	741,918	-
Transfers out	(2,781,803)	(175,000)	(369,478)	-
Total other financing sources (uses)	(2,781,803)	(175,000)	372,440	-
Net change in fund balances	1,833,115	(4,025)	-	-
Fund balances, beginning	1,352,728	12,253	-	-
Fund balances, ending	$ 3,185,843	$ 8,228	$ -	$ -

				Capital Projects		
Traffic Control Enforcement	TIRZ #5	Court Fees	PEG Cable	Road Impact Fees	Park Development Fees	Total Nonmajor Governmental Funds
$ -	$ 1,194,919	$ -	$ -	$ -	$ -	$ 1,194,919
-	279,936	-	-	-	-	279,936
-	-	-	280,457	-	-	280,457
-	-	-	-	-	-	4,716,757
-	-	-	-	4,247,590	257,695	4,636,136
-	-	104,343	-	-	-	104,343
-	-	-	-	-	-	1,951,607
-	-	-	-	-	-	120
-	-	-	-	-	-	11,426,611
-	-	-	-	-	-	10,000
-	157	102	1,150	48,221	19,223	112,771
-	-	-	-	-	-	2,000,000
-	-	684	-	-	-	10,118
-	1,475,012	105,129	281,607	4,295,811	276,918	26,723,775
-	-	102,891	3,960	-	-	5,350,844
49,845	-	-	-	-	-	6,077,848
-	-	-	-	-	-	330,920
-	-	-	-	-	-	4,084,600
-	-	-	5,323	-	-	193,652
49,845	-	102,891	9,283	-	-	16,037,864
(49,845)	1,475,012	2,238	272,324	4,295,811	276,918	10,685,911
-	-	-	-	-	-	741,918
-	(1,274,125)	(84,000)	-	(9,561,843)	(3,501,994)	(17,748,243)
-	(1,274,125)	(84,000)	-	(9,561,843)	(3,501,994)	(17,006,325)
(49,845)	200,887	(81,762)	272,324	(5,266,032)	(3,225,076)	(6,320,414)
145,360	296,358	247,688	995,171	37,292,418	24,290,529	64,632,505
$ 95,515	$ 497,245	$ 165,926	$ 1,267,495	$ 32,026,386	$ 21,065,453	$ 58,312,091

City of Frisco

Hotel/Motel Tax Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes:						
Hotel/motel tax	$ 3,761,393	$ 4,328,379	$ 4,716,757	$ -	$ 4,716,757	$ 388,378
Intergovernmental	1,295,010	1,633,615	1,951,607	-	1,951,607	317,992
Charges for service	65,000	-	120	-	120	120
Contributions	-	-	20,411	-	20,411	20,411
Rents	10,000	10,000	10,000	-	10,000	-
Investment earnings	2,400	1,400	623	-	623	(777)
Payments from component units	2,000,000	2,000,000	2,000,000	-	2,000,000	-
Miscellaneous	32,125	32,125	-	-	-	(32,125)
Total revenues	7,165,928	8,005,519	8,699,518	-	8,699,518	693,999
EXPENDITURES						
Current						
Culture and recreation	4,715,231	4,587,476	4,084,600	20,925	4,105,525	481,951
Total expenditures	4,715,231	4,587,476	4,084,600	20,925	4,105,525	481,951
Excess (deficiency) of revenues over (under) expenditures	2,450,697	3,418,043	4,614,918	(20,925)	4,593,993	1,175,950
OTHER FINANCING USES						
Transfers out	(2,750,331)	(2,781,803)	(2,781,803)	-	(2,781,803)	-
Total other financing sources (uses)	(2,750,331)	(2,781,803)	(2,781,803)	-	(2,781,803)	-
Net change in fund balance	(299,634)	636,240	1,833,115	(20,925)	1,812,190	1,175,950
Fund balance, beginning	865,195	1,352,728	1,352,728	-	1,352,728	-
Fund balance, ending	$ 565,561	$ 1,988,968	$ 3,185,843	$ (20,925)	$ 3,164,918	$ 1,175,950

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses From GAAP Basis to Budgetary Basis
For the Year Ended September 30, 2021

	Net Change in Fund Balance
GAAP basis	$ 1,833,115
Expenditures:	
Increase due to encumbrances from prior year	-
Decrease due to encumbrances for current year	(20,925)
Budgetary basis	$ 1,812,190

City of Frisco

Panther Creek PID Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Special assessments	$ 140,000	$ 130,000	$ 130,851	$ -	$ 130,851	$ 851
Investment earnings	35,000	35,000	40,124	-	40,124	5,124
Total revenues	175,000	165,000	170,975	-	170,975	5,975
OTHER FINANCING USES						
Transfers out	(175,000)	(175,000)	(175,000)	-	(175,000)	-
Net change in fund balance	-	(10,000)	(4,025)	-	(4,025)	5,975
Fund balance, beginning	61,780	12,253	12,253	-	12,253	-
Fund balance, ending	$ 61,780	$ 2,253	$ 8,228	$ -	$ 8,228	$ 5,975

City of Frisco

Grants Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Grant income	$ 9,048,683	$ 11,209,467	$ 10,750,637	$ -	$ 10,750,637	$ (458,830)
Investment earnings	-	-	3,171	-	3,171	3,171
Total revenues	9,048,683	11,209,467	10,753,808	-	10,753,808	(455,659)
EXPENDITURES						
Current						
General government	-	2,975,450	4,578,996	3,034,423	7,613,419	(4,637,969)
Public safety	6,952,956	6,319,843	6,028,003	(30,674)	5,997,329	322,514
Public works	2,498,646	2,336,201	330,920	-	330,920	2,005,281
Culture and recreation	247,149	237,475	-	-	-	237,475
Capital outlay	-	-	188,329	(28,042)	160,287	(160,287)
Total expenditures	9,698,751	11,868,969	11,126,248	2,975,707	14,101,955	(2,232,986)
Excess (deficiency) of revenues over (under) expenditures	(650,068)	(659,502)	(372,440)	(2,975,707)	(3,348,147)	(2,688,645)
OTHER FINANCING USES						
Transfers in	650,068	1,103,901	741,918	-	741,918	(361,983)
Transfers out	-	(444,399)	(369,478)	-	(369,478)	74,921
Total other financing sources (uses)	650,068	659,502	372,440	-	372,440	(287,062)
Net change in fund balance	-	-	-	(2,975,707)	(2,975,707)	(2,975,707)
Fund balance, beginning	-	-	-	(60,392)	(60,392)	(60,392)
Fund balance, ending	$ -	$ -	$ -	$ (3,036,099)	$ (3,036,099)	$ (3,036,099)

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses From GAAP Basis to Budgetary Basis
For the Year Ended September 30, 2021

	Net Change in Fund Balance
GAAP basis	$ -
Expenditures:	
Increase due to encumbrances from prior year	60,392
Decrease due to encumbrances for current year	(3,036,099)
Budgetary basis	$ (2,975,707)

City of Frisco

CDBG Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Grant income	$ 1,967,106	$ 640,644	$ 655,563	$ -	$ 655,563	$ 14,919
Miscellaneous	15,000	8,000	9,434	-	9,434	1,434
Total revenues	1,982,106	648,644	664,997	-	664,997	16,353
EXPENDITURES						
Current						
General government	1,553,459	648,644	664,997	-	664,997	(16,353)
Capital outlay	428,647	-	-	-	-	-
Total expenditures	1,982,106	648,644	664,997	-	664,997	(16,353)
Net change in fund balance	-	-	-	-	-	-
Fund balance, beginning	-	-	-	-	-	-
Fund balance, ending	$ -	$ -	$ -	$ -	$ -	$ -

City of Frisco

Traffic Control Enforcement Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
EXPENDITURES						
Current						
Public safety	-	61,388	49,845	(14,932)	34,913	26,475
Capital outlay	140,000	53,972	-	-	-	53,972
Total expenditures	140,000	115,360	49,845	(14,932)	34,913	80,447
Net change in fund balance	(140,000)	(115,360)	(49,845)	14,932	(34,913)	80,447
Fund balance, beginning	140,000	145,360	145,360	(27,415)	117,945	(27,415)
Fund balance, ending	$ -	$ 30,000	$ 95,515	$ (12,483)	$ 83,032	$ 53,032

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses From GAAP Basis to Budgetary Basis
For the Year Ended September 30, 2021

	Net Change in Fund Balance
GAAP basis	$ (49,845)
Expenditures:	
Increase due to encumbrances from prior year	27,415
Decrease due to encumbrances for current year	(12,483)
Budgetary basis	$ (34,913)

City of Frisco

TIRZ #5 Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes:						
Property tax	$ 1,351,359	$ 1,203,770	$ 1,194,919	$ -	$ 1,194,919	$ (8,851)
Sales tax	315,000	315,000	279,936	-	279,936	(35,064)
Investment earnings	600	180	157	-	157	(23)
Total revenues	1,666,959	1,518,950	1,475,012	-	1,475,012	(43,938)
OTHER FINANCING SOURCES (USES)						
Transfers out	(1,274,125)	(1,274,125)	(1,274,125)	-	(1,274,125)	-
Total other financing sources (uses)	(1,274,125)	(1,274,125)	(1,274,125)	-	(1,274,125)	-
Net change in fund balance	392,834	244,825	200,887	-	200,887	(43,938)
Fund balance, beginning	300,374	296,358	296,358	-	296,358	-
Fund balance, ending	$ 693,208	$ 541,183	$ 497,245	$ -	$ 497,245	$ (43,938)

City of Frisco

Court Fees Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Fines	$ 190,000	$ 100,000	$ 104,343	$ -	$ 104,343	$ 4,343
Investment earnings	2,400	180	102	-	102	(78)
Miscellaneous	-	-	684	-	684	684
Total revenues	192,400	100,180	105,129	-	105,129	4,949
EXPENDITURES						
Current						
General government	117,359	117,359	102,891	7,705	110,596	6,763
Total expenditures	117,359	117,359	102,891	7,705	110,596	6,763
Excess (deficiency) of revenues over (under) expenditures	75,041	(17,179)	2,238	(7,705)	(5,467)	11,712
OTHER FINANCING USES						
Transfers out	(84,000)	(84,000)	(84,000)	-	(84,000)	-
Total other financing sources (uses)	(84,000)	(84,000)	(84,000)	-	(84,000)	-
Net change in fund balance	(8,959)	(101,179)	(81,762)	(7,705)	(89,467)	11,712
Fund balance, beginning	214,926	247,688	247,688	-	247,688	-
Fund balance, ending	$ 205,967	$ 146,509	$ 165,926	$ (7,705)	$ 158,221	$ 11,712

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses From GAAP Basis to Budgetary Basis
For the Year Ended September 30, 2021

	Net Change in Fund Balance
GAAP basis	$ (81,762)
Expenditures:	
Increase due to encumbrances from prior year	-
Decrease due to encumbrances for current year	(7,705)
Budgetary basis	$ (89,467)

City of Frisco

PEG Cable Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Taxes:						
Franchise	$ 250,000	$ 235,000	$ 280,457	$ -	$ 280,457	$ 45,457
Investment earnings	10,000	1,000	1,150	-	1,150	150
Total revenues	260,000	236,000	281,607	-	281,607	45,607
EXPENDITURES						
Current:						
General government	-	5,500	3,960	(30,919)	(26,959)	32,459
Capital outlay	185,300	210,719	5,323	-	5,323	205,396
Total expenditures	185,300	216,219	9,283	(30,919)	(21,636)	237,855
Net change in fund balance	74,700	19,781	272,324	30,919	303,243	283,462
Fund balance, beginning	605,138	995,171	995,171	(30,919)	964,252	(30,919)
Fund balance, ending	$ 679,838	$ 1,014,952	$ 1,267,495	$ -	$ 1,267,495	$ 252,543

Adjustments to Revenues, Expenditures and Other Financing Sources and Uses From GAAP Basis to Budgetary Basis
For the Year Ended September 30, 2021

	Net Change in Fund Balance
GAAP basis	$ 272,324
Expenditures:	
Increase due to encumbrances from prior year	30,919
Decrease due to encumbrances for current year	-
Budgetary basis	$ 303,243

City of Frisco

Road Impact Fees Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Special assessments	$ -	$ 3,000,000	$ 4,247,590	$ -	$ 4,247,590	$ 1,247,590
Investment earnings	-	102,720	48,221	-	48,221	(54,499)
Total revenues	-	3,102,720	4,295,811	-	4,295,811	1,193,091
OTHER FINANCING SOURCES (USES)						
Transfers out	-	(28,550,942)	(9,561,843)	-	(9,561,843)	18,989,099
Total other financing sources (uses)	-	(28,550,942)	(9,561,843)	-	(9,561,843)	18,989,099
Net change in fund balance	-	(25,448,222)	(5,266,032)	-	(5,266,032)	20,182,190
Fund balance, beginning	13,212,905	37,292,418	37,292,418	-	37,292,418	-
Fund balance, ending	$ 13,212,905	$ 11,844,196	$ 32,026,386	$ -	$ 32,026,386	$ 20,182,190

City of Frisco

Park Development Fees Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts					
	Original	Final	Actual on a GAAP Basis	Adjustments-Budgetary Basis	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES						
Special assessments	$ -	$ -	$ 257,695	$ -	$ 257,695	$ 257,695
Investment earnings	-	42,830	19,223	-	19,223	(23,607)
Total revenues	-	42,830	276,918	-	276,918	234,088
OTHER FINANCING SOURCES (USES)						
Transfers out	-	(11,123,600)	(3,501,994)	-	(3,501,994)	7,621,606
Total other financing sources (uses)	-	(11,123,600)	(3,501,994)	-	(3,501,994)	7,621,606
Net change in fund balance	-	(11,080,770)	(3,225,076)	-	(3,225,076)	7,855,694
Fund balance, beginning	11,154,011	24,290,529	24,290,529	-	24,290,529	-
Fund balance, ending	$ 11,154,011	$ 13,209,759	$ 21,065,453	$ -	$ 21,065,453	$ 7,855,694

FRISCO
PROGRESS IN MOTION

NONMAJOR PROPRIETARY FUNDS

Proprietary funds charge customers directly for certain services provided.

Stormwater Drainage Fund - This fund is used to account for revenues specifically collected to accomplish the goals set by the Municipal Separate Stormwater System Plan.

Environmental Services Fund - This fund accounts for the collection and disposal fees of solid waste and recycling services.

City of Frisco
Combining Statement of Net Position
Nonmajor Proprietary Fund Financial Statements
September 30, 2021

	Business-type Activities Enterprise Funds		
	Stormwater Drainage	Environmental Services	Nonmajor Proprietary Fund Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 5,011,655	$ 4,857,358	$ 9,869,013
Investments	500,156	-	500,156
Receivables: (net of allowances for uncollectibles)			
Other	158	193,749	193,907
Total current assets	5,511,969	5,051,107	10,563,076
Noncurrent assets			
Capital assets:			
Buildings and improvements	-	147,742	147,742
Improvements other than buildings	-	92,190	92,190
Machinery and equipment	1,869,001	609,684	2,478,685
Accumulated depreciation	(970,187)	(615,441)	(1,585,628)
Total capital assets (net of accumulated depreciation)	898,814	234,175	1,132,989
Total noncurrent assets	898,814	234,175	1,132,989
Total assets	6,410,783	5,285,282	11,696,065
DEFERRED OUTFLOWS OF RESOURCES			
Pension items	147,500	147,500	295,000
OPEB items	17,047	17,047	34,094
Total deferred outflows of resources	164,547	164,547	329,094

	Business-type Activities Enterprise Funds		
	Stormwater Drainage	Environmental Services	Nonmajor Proprietary Fund Total
LIABILITIES			
Current liabilities:			
Accounts payable	$ 59,822	$ 1,109,808	$ 1,169,630
Accrued liabilities	78,937	78,157	157,094
Monies held in escrow	97,486	-	97,486
Compensated absences	107,763	125,635	233,398
Total current liabilities	344,008	1,313,600	1,657,608
Noncurrent liabilities:			
Compensated absences	107,115	172,374	279,489
Pension	338,673	338,673	677,346
OPEB	47,155	47,155	94,310
Total noncurrent liabilities	492,943	558,202	1,051,145
Total liabilities	836,951	1,871,802	2,708,753
DEFERRED INFLOWS OF RESOURCES			
Pension items	107,445	107,445	214,890
OPEB items	38,569	38,569	77,138
Total deferred inflows of resources	146,014	146,014	292,028
NET POSITION			
Net investment in capital assets	898,814	234,175	1,132,989
Unrestricted	4,693,551	3,197,838	7,891,389
Total net position	$ 5,592,365	$ 3,432,013	$ 9,024,378

FRISCO
PROGRESS IN MOTION

City of Frisco
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Proprietary Fund Financial Statements
For the Year Ended September 30, 2021

	Business-type Activities Enterprise Funds		
	Stormwater Drainage	Environmental Services	Nonmajor Proprietary Fund Total
OPERATING REVENUES			
Charges for sales and services:			
Sanitation charges	$ -	$ 20,610,607	$ 20,610,607
Stormwater drainage fees	4,996,754	-	4,996,754
Miscellaneous	-	93,294	93,294
Total operating revenues	4,996,754	20,703,901	25,700,655
OPERATING EXPENSES			
Cost of sales and services	-	17,290,095	17,290,095
Administration	2,476,112	6,206,803	8,682,915
Depreciation	184,910	74,943	259,853
Total operating expenses	2,661,022	23,571,841	26,232,863
Operating income (loss)	2,335,732	(2,867,940)	(532,208)
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	843	6,105	6,948
Contributions and grants	-	93,984	93,984
Gain on sale of equipment	47,100	-	47,100
Total non-operating revenues	47,943	100,089	148,032
Income (loss) before transfers	2,383,675	(2,767,851)	(384,176)
TRANSFERS			
Transfers out	(1,705,752)	(1,286,349)	(2,992,101)
Total transfers	(1,705,752)	(1,286,349)	(2,992,101)
Change in net position	677,923	(4,054,200)	(3,376,277)
Net position, beginning	4,914,442	7,486,213	12,400,655
Net position, ending	$ 5,592,365	$ 3,432,013	$ 9,024,378

City of Frisco
Combining Statement of Cash Flows
Nonmajor Proprietary Fund Financial Statements
For the Year Ended September 30, 2021

	Business-type Activities Enterprise Funds		
	Stormwater Drainage	Environmental Services	Nonmajor Proprietary Fund Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 4,996,754	$ 20,604,154	$ 25,600,908
Cash payments to suppliers for goods and services	(951,549)	(21,511,808)	(22,463,357)
Cash payments to employees for services	(1,560,149)	(1,548,750)	(3,108,899)
Other receipts	-	93,294	93,294
Net cash provided (used) by operating activities	2,485,056	(2,363,110)	121,946
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers made to other funds	-	(1,286,349)	(1,286,349)
Contributions	-	93,985	93,985
Net cash used by noncapital financing activities	-	(1,192,364)	(1,192,364)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(151,068)	(103,435)	(254,503)
Proceeds from sale or transfer of equipment	47,100	-	47,100
Intergovernmental payments for capital construction	(1,705,752)	-	(1,705,752)
Net cash used in capital and related financing activities	(1,809,720)	(103,435)	(1,913,155)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities	(500,155)	-	(500,155)
Proceeds from sale and maturities of investment securities	509,476	4,310,539	4,820,015
Interest on investments	4,467	15,075	19,542
Net cash provided by investing activities	13,788	4,325,614	4,339,402
Net increase in cash and cash equivalents	689,124	666,705	1,355,829
Cash and cash equivalents, beginning	4,322,531	4,190,653	8,513,184
Cash and cash equivalents, ending	$ 5,011,655	$ 4,857,358	$ 9,869,013

	Business-type Activities Enterprise Funds		
	Stormwater Drainage	Environmental Services	Nonmajor Proprietary Fund Total
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	$ 2,335,732	$ (2,867,940)	$ (532,208)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	184,910	74,943	259,853
Change in assets and liabilities:			
(Increase) decrease in-			
Receivables - utility bills	-	(6,452)	(6,452)
Receivables - other	-	230,793	230,793
Pension deferred outflow of resources	3,258	3,258	6,516
OPEB deferred outflow of resources	(4,531)	(4,531)	(9,062)
Increase (decrease) in-			
Accounts payable	(112,039)	104,272	(7,767)
Accrued liabilities	8,338	7,728	16,066
Liability for compensated absences	94,880	120,311	215,191
Pension deferred inflow of resources	18,843	18,843	37,686
OPEB deferred inflow of resources	(5,443)	(5,443)	(10,886)
Net pension liability	(48,451)	(48,451)	(96,902)
OPEB liability	9,559	9,559	19,118
Total adjustments	149,324	504,830	654,154
Net cash provided (used) by operating activities	$ 2,485,056	$ (2,363,110)	$ 121,946

FRISCO
PROGRESS IN MOTION

COMPONENT UNITS

Component Units are presented as legally separate reporting entities with dedicated revenue streams to fund specific projects and purposes.

Community Development Fund - The FCDC benefits the City and its citizens by developing recreational resources. It operates primarily within the geographic boundaries of the City and funding is derived from a half cent sales tax.

Economic Development Fund - FEDC benefits the City and its citizens by developing economic resources. Funding for this organization is derived from a half cent sales tax.

Charitable Foundation Fund - The Charitable Foundation benefits the City and its citizens through developing resources for recreational, cultural arts, senior citizen and other related community development needs. Funding is derived from contributions.

City of Frisco
Combining Balance Sheet
Component Units
September 30, 2021

	Community Development Corporation	Economic Development Corporation	Charitable Foundation	Total Component Units
ASSETS				
Cash and cash equivalents	$ 13,636,417	$ 10,956,719	$ 13,270	$ 24,606,406
Investments	31,125,540	29,956,469	-	61,082,009
Receivables: (net of allowances for uncollectibles)				
Sales tax	4,944,005	4,944,005	-	9,888,010
Other	55,806	87,682	-	143,488
Prepaids	-	49,111	-	49,111
Land held for resale	33,316,565	36,051,721	-	69,368,286
Restricted assets:				
Cash and cash equivalents	960,179	1,259,661	-	2,219,840
Investments	2,000,000	3,800,000	-	5,800,000
Total assets	86,038,512	87,105,368	13,270	173,157,150
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	1,062,718	6,763,579	-	7,826,297
Accrued liabilities	17,853	47,482	-	65,335
Unearned revenue	5,000	-	-	5,000
Total liabilities	1,085,571	6,811,061	-	7,896,632
Fund balances:				
Nonspendable:				
Prepaid expenses	-	49,111	-	49,111
Land held for resale	33,316,565	36,051,721	-	69,368,286
Restricted for:				
Debt service	2,960,179	5,059,661	-	8,019,840
Capital projects for future construction	2,644,112	4,261,265	-	6,905,377
Assigned for:				
Pollution remediation	4,000,000	-	-	4,000,000
Unassigned	42,032,085	34,872,549	13,270	76,917,904
Total fund balances	84,952,941	80,294,307	13,270	165,260,518
Total liabilities and fund balances	$ 86,038,512	$ 87,105,368	$ 13,270	$ 173,157,150

City of Frisco
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Component Units
For the Year Ended September 30, 2021

	Community Development Corporation	Economic Development Corporation	Charitable Foundation	Total Component Units
REVENUES				
Sales tax	$ 27,492,251	$ 27,492,251	$ -	$ 54,984,502
Investment earnings	34,677	43,734	3	78,414
Contributions	-	43,775	47,009	90,784
Charges for Services	1,301	-	-	1,301
Rents	385,367	6,000	-	391,367
Payments from primary government	12,042,560	-	-	12,042,560
Miscellaneous	540	48	-	588
Total revenues	39,956,696	27,585,808	47,012	67,589,516
EXPENDITURES				
Current:				
General government	15,142,564	20,495,742	-	35,638,306
Culture and recreation	2,547,936	-	48,228	2,596,164
Capital outlay	3,508,050	-	-	3,508,050
Debt service:				
Principal retirement	6,544,469	2,390,000	-	8,934,469
Interest and fiscal charges	3,326,898	1,356,107	-	4,683,005
Total expenditures	31,069,917	24,241,849	48,228	55,359,994
Excess (deficiency) of revenues over (under) expenditures	8,886,779	3,343,959	(1,216)	12,229,522
Net change in fund balances	8,886,779	3,343,959	(1,216)	12,229,522
Fund balances, beginning	76,066,162	76,950,348	14,486	153,030,996
Fund balances, ending	$ 84,952,941	$ 80,294,307	$ 13,270	$ 165,260,518

City of Frisco

Reconciliation of the Combining Balance Sheet of Component Units to the Statement of Net Position
September 30, 2021

Total fund balances per balance sheet		$ 165,260,518
Amounts reported for component unit activities in the statement of position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		88,070,272
Deferred outflow of resources are not financial resources and, therefore, are not reported at the fund level.		799,651
Other assets are not available to pay for current-period expenditures		25,040,000
Some long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:		
Bonds payable	90,815,692	
Notes payable	27,649,391	
Pollution remediation obligations	29,000,000	
Accrued interest payable	550,416	
Compensated absences	220,820	
Net pension liability	677,346	
Total OPEB liability	94,310	
Total long-term liabilities		(149,007,975)
Deferred inflows of resources are not financial resources and, therefore, are not reported in the funds		(292,026)
Total net position - component units		$ 129,870,440

CITY OF FRISCO, TEXAS

Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of Component Units to the Statement of Activities
For the Year Ended September 30, 2021

Net change in fund balances - total component units	$ 12,229,522
Amounts reported for component units in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(1,192,272)
Revenues in the statement of activities that do not provide current financials resources are not reported as revenues in the funds	25,000,000
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	9,169,469
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(28,579,614)
Change in net position of component units	$ 16,627,105

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Frisco's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents **Page**

Financial Trends 128

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity 139

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity 148

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 154

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information 156

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Frisco
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	$ 696,300,300	$ 739,378,508	$ 754,405,379	$ 886,959,457
Restricted	4,192,127	4,538,556	5,053,305	54,319,922
Unrestricted	63,781,055	72,860,648	101,786,356	29,893,408
Total governmental activities net position	764,273,482	816,777,712	861,245,040	971,172,787
Business-type activities				
Net investment in capital assets	174,745,396	185,747,786	195,229,947	222,392,769
Restricted	12,854,359	17,744,216	21,881,788	26,256,457
Unrestricted	30,396,570	35,211,295	42,695,312	44,321,482
Total business-type activities net position	217,996,325	238,703,297	259,807,047	292,970,708
Primary government				
Net investment in capital assets	871,045,696	925,126,294	949,635,326	1,109,352,226
Restricted	17,046,486	22,282,772	26,935,093	80,576,379
Unrestricted	94,177,625	108,071,943	144,481,668	74,214,890
Total primary government net position	$ 982,269,807	$ 1,055,481,009	$ 1,121,052,087	$ 1,264,143,495

2016	2017	2018	2019	2020	2021
$ 1,051,389,064	$ 1,123,429,533	$ 1,215,381,073	$ 1,315,371,557	$ 1,375,189,312	$ 1,377,424,378
62,763,394	69,106,670	71,803,680	77,158,120	74,348,180	83,564,484
43,272,641	45,371,848	48,218,988	54,966,379	63,089,924	76,019,002
1,157,425,099	1,237,908,051	1,335,403,741	1,447,496,056	1,512,627,416	1,537,007,864
249,009,918	271,084,999	306,888,683	330,734,056	359,016,697	367,819,577
29,954,906	31,907,294	32,201,559	37,917,240	36,861,360	45,397,680
47,844,692	49,288,154	58,893,202	59,555,627	69,008,288	73,012,369
326,809,516	352,280,447	397,983,444	428,206,923	464,886,345	486,229,626
1,300,398,982	1,394,514,532	1,522,269,756	1,646,105,613	1,734,206,009	1,745,243,955
92,718,300	101,013,964	104,005,239	115,075,360	111,209,540	128,962,164
91,117,333	94,660,002	107,112,190	114,522,006	132,098,212	149,031,371
$ 1,484,234,615	$ 1,590,188,498	$ 1,733,387,185	$ 1,875,702,979	$ 1,977,513,761	$ 2,023,237,490

City of Frisco
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	2012	2013	2014	2015
Expenses				
Governmental activities:				
General government	$ 38,034,476	$ 42,629,757	$ 50,945,132	$ 53,318,813
Public safety	44,347,310	48,074,351	52,340,573	57,906,328
Public works	29,228,885	30,648,669	32,827,619	39,730,064
Culture & recreation	26,640,104	26,110,474	28,062,191	29,483,819
Interest on long-term debt	19,338,791	17,005,242	18,631,848	18,443,803
Total governmental activities expenses	157,589,566	164,468,493	182,807,363	198,882,827
Business-type activities:				
Water & sewer	53,369,324	57,559,429	61,177,648	66,188,799
Non-major enterprise funds	10,490,996	11,113,313	11,674,055	12,337,646
Total business-type activities expenses	63,860,320	68,672,742	72,851,703	78,526,445
Total primary government expenses	$ 221,449,886	$ 233,141,235	$ 255,659,066	$ 277,409,272
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 13,870,149	$ 18,329,451	$ 18,854,018	$ 19,912,210
Public safety	2,077,752	2,327,403	2,598,721	3,174,725
Public works	63,312	104,180	98,633	205,469
Culture & recreation	4,455,925	4,555,527	4,845,465	5,433,040
Operating grants and contributions	3,615,317	2,549,183	4,666,348	3,236,153
Capital grants and contributions	11,607,188	58,872,983	49,626,979	122,651,198
Total governmental activities program revenues	35,689,643	86,738,727	80,690,164	154,612,795
Business-type activities:				
Charges for services:				
Water & sewer	51,752,962	57,787,373	56,263,446	69,190,052
Non-major enterprise funds	11,899,879	12,555,595	13,384,328	15,989,296
Operating grants and contributions	1,000	1,000	17,466	41,366
Capital grants and contributions	4,897,053	19,925,899	25,480,432	29,793,281
Total business-type activities program revenues	68,550,894	90,269,867	95,145,672	115,013,995
Total primary government program revenues	$ 104,240,537	$ 177,008,594	$ 175,835,836	$ 269,626,790
Net (expense)/revenue				
Governmental activities	$ (121,899,923)	$ (77,729,766)	$ (102,117,199)	$ (44,270,032)
Business-type activities	4,690,574	21,597,125	22,293,969	36,487,550
Total primary government net expense	$ (117,209,349)	$ (56,132,641)	$ (79,823,230)	$ (7,782,482)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Ad valorem taxes	$ 67,161,904	$ 69,014,412	$ 75,849,283	$ 85,412,246
Sales taxes	24,489,084	29,158,661	34,196,948	36,003,036
Franchise taxes	7,796,833	7,909,763	9,041,655	9,338,941
Other taxes	3,450,258	3,998,236	4,565,581	5,019,906
Ad valorem taxes, Intergovernmental	21,709,424	18,540,374	26,077,693	37,600,247
Investment earnings	501,365	495,129	222,548	859,102
Transfers	571,537	1,117,421	573,076	306,393
Total governmental activities	125,680,405	130,233,996	150,526,784	174,539,871
Business-type activities:				
Intergovernmental	97,000	97,000	104,000	105,040
Investment earnings	191,049	130,268	116,631	267,813
Transfers	(571,537)	(1,117,421)	(573,076)	(306,393)
Total business-type activities	(283,488)	(890,153)	(352,445)	66,460
Total primary government	125,396,917	129,343,843	150,174,339	174,606,331
Change in Net Position				
Governmental activities	3,780,482	52,504,230	48,409,585	130,269,839
Business-type activities	4,407,086	20,706,972	21,941,524	36,554,010
Total primary government net expense	$ 8,187,568	$ 73,211,202	$ 70,351,109	$ 166,823,849

2016	2017	2018	2019	2020	2021
$ 56,719,612	$ 71,141,026	$ 75,995,523	$ 81,789,316	$ 93,428,738	$ 92,795,035
66,878,782	75,124,144	82,425,573	92,202,109	95,145,910	106,713,823
46,082,286	44,655,377	49,265,749	51,333,497	53,555,748	62,311,511
33,135,218	35,598,228	39,046,786	40,449,835	37,418,970	32,772,532
17,577,838	19,087,970	18,785,636	21,126,900	22,274,232	22,093,367
220,393,736	245,606,745	265,519,267	286,901,657	301,823,598	316,686,268
78,892,654	95,527,532	93,666,630	101,466,829	103,357,849	107,973,934
13,713,061	14,762,734	17,221,827	19,367,794	20,575,386	26,232,863
92,605,715	110,290,266	110,888,457	120,834,623	123,933,235	134,206,797
$ 312,999,451	$ 355,897,011	$ 376,407,724	$ 407,736,280	$ 425,756,833	$ 450,893,065
$ 20,285,841	$ 22,097,082	$ 22,502,540	$ 25,060,656	$ 20,076,791	$ 10,981,423
3,829,863	4,451,318	4,205,493	4,513,162	4,256,643	14,566,360
117,529	123,470	94,935	239,853	119,616	101,817
5,857,044	6,029,895	5,966,865	5,841,035	3,040,120	4,077,423
4,944,360	4,305,641	7,374,981	10,992,363	20,906,735	16,941,430
199,150,396	87,384,164	82,826,541	110,727,397	66,775,450	30,506,858
234,185,033	124,391,570	122,971,355	157,374,466	115,175,355	77,175,311
79,399,924	84,814,386	96,767,900	95,978,738	104,121,381	106,735,274
16,202,674	17,083,995	20,055,741	21,624,569	22,970,543	25,747,755
67,965	142,500	-	29,500	-	93,984
32,233,793	34,841,951	40,895,889	33,909,304	30,875,237	23,139,862
127,904,356	136,882,832	157,719,530	151,542,111	157,967,161	155,716,875
$ 362,089,389	$ 261,274,402	$ 280,690,885	$ 308,916,577	$ 273,142,516	$ 232,892,186
$ 13,791,297	$ (121,215,175)	$ (142,547,912)	$ (129,527,191)	$ (186,648,243)	$ (239,510,957)
35,298,641	26,592,566	46,831,073	30,707,488	34,033,926	21,510,078
$ 49,089,938	$ (94,622,609)	$ (95,716,839)	$ (98,819,703)	$ (152,614,317)	$ (218,000,879)
$ 97,716,101	$ 112,456,629	$ 120,389,122	$ 131,952,480	$ 142,497,915	$ 150,882,839
37,826,251	40,408,821	43,363,487	44,647,320	45,124,776	54,984,501
9,366,054	10,126,891	11,007,612	10,899,394	10,558,237	10,031,878
5,278,619	5,678,518	7,212,592	7,733,104	4,899,326	5,910,603
18,109,962	28,275,708	54,774,029	32,894,962	41,064,382	39,058,316
1,805,611	2,717,226	5,434,361	9,907,059	6,519,627	432,149
2,358,417	2,034,334	2,261,440	3,585,187	1,115,340	2,591,119
172,461,015	201,698,127	244,442,643	241,619,506	251,779,603	263,891,405
446,978	124,048	169,584	114,960	2,017,771	2,283,546
451,606	788,651	1,696,952	2,986,218	1,743,065	140,776
(2,358,417)	(2,034,334)	(2,261,440)	(3,585,187)	(1,115,340)	(2,591,119)
(1,459,833)	(1,121,635)	(394,904)	(484,009)	2,645,496	(166,797)
171,001,182	200,576,492	244,047,739	241,135,497	254,425,099	263,724,608
186,252,312	80,482,952	101,894,731	112,092,315	65,131,360	24,380,448
33,838,808	25,470,931	46,436,169	30,223,479	36,679,422	21,343,281
$ 220,091,120	$ 105,953,883	$ 148,330,900	$ 142,315,794	$ 101,810,782	$ 45,723,729

FRISCO
PROGRESS IN MOTION

City of Frisco
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

Fiscal Year	Property Tax (1)	Sales Tax	Franchise Tax	Other Tax	Total
2012	$ 67,161,904	$ 24,489,084	$ 7,796,833	$ 3,450,258	$ 102,898,079
2013	69,014,412	29,158,661	7,909,763	3,998,236	110,081,072
2014	75,849,283	34,196,948	9,041,655	4,565,581	123,653,467
2015	85,412,246	36,003,036	9,338,941	5,019,906	135,774,129
2016	97,716,101	37,826,251	9,366,054	5,278,619	150,187,025
2017	112,456,629	40,408,821	10,126,891	5,678,518	168,670,859
2018	120,389,122	43,363,487	11,007,612	7,212,592	181,972,813
2019	131,952,480	44,647,320	10,899,394	7,733,104	195,232,298
2020	142,497,915	45,124,776	10,558,237	4,899,326	203,080,254
2021	150,882,839	54,984,501	10,031,878	5,910,603	221,809,821

(1) Includes tax increment reinvestment zone tax collections each year.

2012	$ 4,142,786
2013	4,431,948
2014	4,654,780
2015	5,100,966
2016	5,464,343
2017	5,964,570
2018	6,922,354
2019	7,933,201
2020	8,665,933
2021	9,084,548

City of Frisco
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	2012	2013	2014	2015
General fund				
Non spendable	$ 537,057	$ 544,583	$ 398,856	$ 616,566
Committed	2,576,668	3,570,917	3,568,653	14,414,810
Assigned	-	-	-	-
Unreserved/Unassigned	29,484,739	31,295,715	41,780,279	44,957,984
Total general fund	32,598,464	35,411,215	45,747,788	59,989,360
All other governmental funds				
Non spendable	493,657	202,897	1,691,298	446,105
Restricted for:				
Debt service	4,355,598	4,150,522	4,412,400	5,278,799
Capital projects for future construction	67,986,558	82,742,142	164,136,618	172,606,032
Other purposes	5,817,783	7,330,805	8,117,922	8,095,288
Committed to:				
Capital projects for future construction	2,277,444	3,349,491	4,145,399	-
Assigned to:				
Capital projects for future construction	6,070,613	3,247,896	-	-
Total all other governmental funds	$ 87,001,653	$ 101,023,753	$ 182,503,637	$ 186,426,224

2016	2017	2018	2019	2020	2021
$ 657,471	$ 759,272	$ 777,323	$ 1,294,145	$ 2,363,955	$ 2,964,991
16,466,361	10,534,528	15,357,662	19,448,471	24,176,860	35,607,863
-	-	-	-	-	24,000,000
52,310,008	62,523,640	64,320,358	72,539,025	78,830,852	63,442,208
69,433,840	73,817,440	80,455,343	93,281,641	105,371,667	126,015,062
734,603	657,232	2,078,369	1,414,108	361,590	259,913
5,175,796	5,847,513	6,181,803	5,594,173	5,379,166	3,333,381
224,453,812	218,222,683	215,663,589	303,386,988	289,557,566	327,109,195
8,361,344	9,082,010	9,864,542	9,654,771	10,701,239	12,788,567
-	-	-	-	-	-
-	-	-	-	-	-
$ 238,725,555	$ 233,809,438	$ 233,788,303	$ 320,050,040	$ 305,999,561	$ 343,491,056

City of Frisco
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	2012	2013	2014	2015
Revenues				
Taxes				
Property	$ 67,265,817	$ 69,033,422	$ 75,468,357	$ 85,700,973
Sales	24,489,084	29,158,661	34,196,948	36,003,036
Franchise	7,907,245	7,801,573	8,758,582	9,338,941
Hotel/motel	3,027,021	3,506,677	3,887,482	4,190,238
Other	423,237	491,559	678,099	829,668
Licenses and permits	6,088,219	8,577,020	10,256,389	11,016,411
Public safety	1,511,187	1,735,308	1,843,998	-
Intergovernmental	18,309,478	28,164,687	29,277,032	44,141,948
Charges for services	6,450,974	6,895,984	7,143,863	8,196,996
Fines	2,891,192	2,917,496	2,726,367	2,767,638
Special assessments	5,339,917	9,190,265	9,577,516	12,964,474
Rents	4,714,980	4,725,347	5,505,448	6,453,883
Investment earnings	526,939	432,368	250,107	874,583
Contributions and donations	6,060,495	6,078,590	4,381,880	53,625,599
Payments from component units	8,658,172	7,125,849	12,360,810	18,443,289
Miscellaneous	229,077	2,253,511	514,691	423,527
Total revenues	163,893,034	188,088,317	206,827,569	294,971,204
Expenditures				
Current:				
General government	31,910,504	36,353,259	44,594,861	47,806,418
Public safety	39,733,181	42,765,334	45,992,383	52,387,610
Public works	6,538,432	7,083,202	8,222,260	8,987,439
Culture & recreation	15,377,347	14,684,853	16,448,909	17,807,190
Capital outlay	25,168,130	46,968,401	60,116,074	190,194,725
Debt Service:				
Principal retirement	25,905,000	27,685,000	29,937,130	28,275,060
Interest and fiscal charges	22,353,574	20,988,977	21,974,788	22,214,941
Total expenditures	166,986,168	196,529,026	227,286,405	367,673,383
Excess (deficiency) of revenues over (under) expenditures	(4,604,321)	(10,176,017)	(22,302,834)	(72,702,179)
Other financing sources (uses)				
Issuance of debt	22,615,000	83,484,089	124,505,000	117,130,000
Premium on bonds issued	2,687,312	15,286,690	4,188,077	12,372,611
Discount on bonds issued	(39,859)	(215,382)	(127,160)	-
Payment to refunded debt escrow	(25,312,360)	(72,809,971)	(16,223,139)	(39,059,203)
Proceeds from sale of assets	122,534	148,021	1,203,437	116,537
Transfers in	23,237,197	29,705,338	24,492,569	35,576,201
Transfers out	(22,665,660)	(28,587,917)	(23,919,493)	(35,269,808)
Total other financing sources (uses)	644,164	27,010,868	114,119,291	90,866,338
Net change in fund balances	$ (3,960,157)	$ 16,834,851	$ 91,816,457	$ 18,164,159
Debt service as a percentage of noncapital expenditures	34%	33%	31%	28%

2016	2017	2018	2019	2020	2021
$ 97,282,372	$ 112,313,490	$ 120,342,757	$ 132,255,261	$ 142,680,642	$ 150,499,477
37,826,251	40,408,821	43,363,487	44,647,320	45,124,776	54,984,501
9,191,454	9,458,534	10,519,862	10,899,394	10,377,109	10,208,513
4,486,093	4,829,350	6,141,721	6,585,178	3,986,339	4,716,757
792,526	849,168	1,070,871	1,147,926	912,987	1,193,846
11,679,493	12,904,536	12,906,768	11,845,079	11,042,795	11,400,651
-	-	-	-	-	-
37,848,162	25,271,312	34,343,637	31,505,376	42,359,161	31,987,641
8,689,774	9,518,417	9,307,701	12,440,670	6,660,246	8,992,914
2,747,076	2,744,917	2,685,495	2,790,298	1,653,881	1,453,044
17,068,934	13,128,149	9,456,594	12,269,748	10,281,368	4,636,136
6,636,174	6,775,706	7,107,397	7,868,238	7,346,215	7,621,861
1,857,133	2,731,486	5,449,676	9,923,941	6,535,040	451,584
118,842,017	13,192,698	5,957,131	10,127,217	18,588,225	14,019,943
7,376,943	18,516,124	30,054,581	6,527,981	14,427,272	12,015,743
466,688	424,768	259,802	415,895	555,915	327,808
362,791,090	273,067,476	298,967,480	301,249,522	322,531,971	314,510,419
49,016,189	63,039,357	58,364,668	61,656,204	73,405,760	72,066,799
60,113,259	67,730,266	75,812,773	82,171,292	85,683,572	93,734,421
10,174,879	13,291,112	15,287,383	13,784,679	14,104,118	14,689,360
20,723,877	23,498,609	25,849,819	26,439,537	23,273,373	24,060,845
190,366,612	96,675,046	111,765,196	74,689,302	83,886,289	63,475,200
30,565,000	35,675,000	39,365,000	42,870,000	47,270,000	49,710,000
24,630,277	25,675,859	25,575,706	26,527,706	28,466,893	28,106,672
385,590,093	325,585,249	352,020,545	328,138,720	356,090,005	345,843,297
(22,799,003)	(52,517,773)	(53,053,065)	(26,889,198)	(33,558,034)	(31,332,878)
136,075,000	45,510,000	53,635,000	115,325,000	26,790,000	89,950,000
20,691,926	4,337,120	3,288,439	5,881,139	3,404,111	12,068,625
(277,741)	(245,231)	(57,075)	(22,583)	(2,809)	-
(74,793,146)	-	-	-	-	(15,620,165)
488,358	349,033	542,029	1,208,489	290,939	478,189
29,074,998	34,018,890	37,854,586	40,587,673	48,208,830	45,775,727
(26,716,581)	(31,984,556)	(35,593,146)	(37,002,486)	(47,093,490)	(43,184,608)
84,542,814	51,985,256	59,669,833	125,977,232	31,597,581	89,467,768
$ 61,743,811	$ (532,517)	$ 6,616,768	$ 99,088,034	$ (1,960,453)	$ 58,134,890
28%	27%	27%	27%	28%	28%

FRISCO
PROGRESS IN MOTION

City of Frisco
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Hotel/motel	Other	Total
2012	$ 67,265,817	$ 24,489,084	$ 7,907,245	$ 3,027,021	$ 423,237	$ 103,112,404
2013	69,033,422	29,158,661	7,801,573	3,506,677	491,559	109,991,892
2014	75,468,357	34,196,948	8,758,582	3,887,482	678,099	122,989,468
2015	85,700,973	36,003,036	9,338,941	4,190,238	829,668	136,062,856
2016	97,282,372	37,826,251	9,191,454	4,486,093	792,526	149,578,696
2017	112,313,490	40,408,821	9,458,534	4,829,350	849,168	167,859,363
2018	120,342,757	43,363,487	10,519,862	6,141,721	1,070,871	181,438,698
2019	132,255,261	44,647,320	10,899,394	6,585,178	1,147,926	195,535,079
2020	142,680,642	45,124,776	10,377,109	3,986,339	912,987	203,081,853
2021	150,499,477	54,984,501	10,208,513	4,716,757	1,193,846	221,603,094

City of Frisco
Property Values
Last Ten Fiscal Years
(Amounts Expressed in Thousands)
(unaudited)

Fiscal Year	Residential	Commercial	Agricultural	Other	Total
2012	$ 10,286,119	$ 3,848,885	$ 1,431,366	$ 925,365	$ 16,491,735
2013	10,703,582	4,105,671	1,374,212	973,193	17,156,658
2014	11,575,890	4,424,849	1,558,173	1,121,554	18,680,466
2015	13,330,794	4,879,036	1,787,543	1,268,086	21,265,459
2016	15,495,664	5,516,991	2,099,118	2,095,166	25,206,939
2017	18,186,050	6,466,246	2,329,473	2,746,943	29,728,712
2018	20,542,246	7,576,109	2,328,891	3,146,033	33,593,279
2019	22,501,199	8,935,342	2,203,443	3,051,263	36,691,247
2020	23,924,575	10,104,516	2,035,975	3,990,316	40,055,382
2021	24,989,914	11,138,005	2,002,203	4,243,330	42,373,452

Less: Exemptions	Net Taxable	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
$ 2,374,063	$ 14,117,672	0.46191	$ 14,117,672	86%
2,415,608	14,741,050	0.46191	14,741,050	86%
2,782,278	15,898,188	0.46191	15,898,188	85%
3,218,656	18,046,802	0.46000	18,046,802	85%
4,411,470	20,795,469	0.46000	20,795,469	82%
5,445,325	24,283,387	0.45000	24,283,387	82%
7,060,439	26,532,840	0.44660	26,532,840	79%
7,883,430	28,807,817	0.44660	28,807,817	79%
8,402,835	31,652,547	0.44660	31,652,547	79%
8,654,915	33,718,537	0.44660	33,718,537	80%

City of Frisco
Property Tax Rates
Direct and Overlapping Governments
(Per $100 of Assessed Value)
Last Ten Fiscal Years
(unaudited)

Collin County

Tax Year	Fiscal Year	City of Frisco Operating	City of Frisco Debt Service	City of Frisco Total	Collin County, Texas Operating	Collin County, Texas Debt Service	Collin County, Texas Total	Frisco Independent School District Operating	Frisco Independent School District Debt Service	Frisco Independent School District Total
2011	2012	0.263446	0.198464	0.46191	0.176050	0.063950	0.2400	1.0000	0.4200	1.4200
2012	2013	0.272957	0.188953	0.46191	0.174663	0.065337	0.2400	1.0400	0.4200	1.4600
2013	2014	0.282626	0.179284	0.46191	0.180334	0.057166	0.2375	1.0400	0.4200	1.4600
2014	2015	0.286791	0.173209	0.46000	0.177268	0.057732	0.2350	1.0400	0.4200	1.4600
2015	2016	0.297064	0.162936	0.46000	0.169800	0.055200	0.2250	1.0400	0.4200	1.4600
2016	2017	0.294052	0.155948	0.45000	0.153195	0.055200	0.2084	1.0400	0.4200	1.4600
2017	2018	0.290435	0.156165	0.44660	0.138796	0.053450	0.1922	1.0400	0.4200	1.4600
2018	2019	0.293367	0.153233	0.44660	0.127212	0.053573	0.1808	1.1700	0.2700	1.4400
2019	2020	0.291520	0.155080	0.44660	0.122951	0.052000	0.1750	1.0683	0.2700	1.3383
2020	2021	0.298973	0.147627	0.44660	0.120501	0.052030	0.1725	1.0402	0.2700	1.3102

Information obtained from the Collin County Central Appraisal District.

Denton County

Tax Year	Fiscal Year	City of Frisco Operating	City of Frisco Debt Service	City of Frisco Total	Denton County, Texas Operating	Denton County, Texas Debt Service	Denton County, Texas Total	Frisco Independent School District Operating	Frisco Independent School District Debt Service	Frisco Independent School District Total
2011	2012	0.263446	0.198464	0.46191	0.205657	0.071700	0.27736	1.0000	0.4200	1.4200
2012	2013	0.272957	0.188953	0.46191	0.209225	0.073642	0.28287	1.0400	0.4200	1.4600
2013	2014	0.282626	0.179284	0.46191	0.197909	0.074291	0.27220	1.0400	0.4200	1.4600
2014	2015	0.286791	0.173209	0.46000	0.197909	0.074291	0.27220	1.0400	0.4200	1.4600
2015	2016	0.297064	0.162936	0.46000	0.192148	0.069852	0.26200	1.0400	0.4200	1.4600
2016	2017	0.294052	0.155948	0.45000	0.182418	0.065991	0.24841	1.0400	0.4200	1.4600
2017	2018	0.290435	0.156165	0.44660	0.173786	0.064026	0.23781	1.0400	0.4200	1.4600
2018	2019	0.293367	0.153233	0.44660	0.167712	0.057862	0.22557	1.1700	0.2700	1.4400
2019	2020	0.291520	0.155080	0.44660	0.171658	0.053620	0.22528	1.0683	0.2700	1.3383
2020	2021	0.298973	0.147627	0.44660	0.168381	0.056604	0.22499	1.0402	0.2700	1.3102

Information obtained from the Denton County Central Appraisal District.

Collin County Community College			Prosper Independent School District			Total Direct and Overlapping	Total Direct and Overlapping
Operating	Debt Service	Total	Operating	Debt Service	Total	Rates FISD	Rates PISD
0.0800	0.0063	0.0863	1.1700	0.5000	1.6700	2.20821	2.45821
0.0800	0.0063	0.0863	1.1700	0.5000	1.6700	2.24821	2.45821
0.0800	0.0036	0.0836	1.1700	0.5000	1.6700	2.24305	2.45305
0.0790	0.0030	0.0820	1.1700	0.5000	1.6700	2.23696	2.44696
0.0790	0.0030	0.0820	1.1700	0.5000	1.6700	2.22696	2.43696
0.0782	0.0030	0.0812	1.1700	0.5000	1.6700	2.19962	2.40962
0.0771	0.0027	0.0798	1.1700	0.5000	1.6700	2.17865	2.38865
0.0791	0.0021	0.0812	1.1700	0.5000	1.6700	2.14861	2.37861
0.0791	0.0021	0.0812	1.0684	0.5000	1.5684	2.04107	2.27112
0.0790	0.0022	0.0812	0.9927	0.5000	1.4927	2.01055	2.19305

Lewisville Independent School District			Little Elm Independent School District			Total Direct and Overlapping	Total Direct and Overlapping	Total Direct and Overlapping
Operating	Debt Service	Total	Operating	Debt Service	Total	Rates FISD	Rates LISD	Rates LEISD
1.040000	0.436400	1.47640	1.040000	0.500000	1.54000	2.15927	2.21567	2.27927
1.040000	0.437000	1.47700	1.040000	0.500000	1.54000	2.20478	2.22178	2.28478
1.040000	0.437000	1.47700	1.040000	0.500000	1.54000	2.19411	2.21111	2.27411
1.040000	0.437000	1.47700	1.040000	0.500000	1.54000	2.19220	2.20920	2.27220
1.040000	0.436730	1.47673	1.170000	0.370000	1.54000	2.18200	2.19873	2.26200
1.040000	0.380000	1.42000	1.170000	0.370000	1.54000	2.15841	2.11841	2.23841
1.040000	0.367500	1.40750	1.170000	0.370000	1.54000	2.14441	2.09191	2.22441
1.040000	0.367500	1.40750	1.170000	0.470000	1.64000	2.11217	2.07967	2.31217
0.970000	0.367500	1.33750	1.068300	0.470000	1.53830	2.01018	2.00938	2.21018
0.966400	0.380900	1.34730	0.960300	0.470000	1.43030	1.98179	2.01889	2.10189

FRISCO
PROGRESS IN MOTION

City of Frisco
Principal Taxpayers
Current Year and Nine Years Ago
September 30, 2021
(unaudited)

	2021			2012		
Taxpayer	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Stonebriar Mall Ltd Partnership	$ 327,766,669	1	0.97%	$ 226,514,276	1	1.60%
Blue Star HQ Inc	224,437,922	2	0.67%			
BPR Shopping Center LP	147,472,986	3	0.44%	116,000,000	2	0.82%
PPF AMLI Parkwood Boulevard LLC	118,407,411	4	0.35%			
Hall 3201 Dallas Inc	106,389,850	5	0.32%			
Blue Star Land Phase III LLC	103,554,464	6	0.31%			
Hall Office Portfolio DB LLC	96,217,193	7	0.29%	52,000,000	5	0.37%
UDR Cool Springs I LLC	95,312,821	8	0.28%			
MCP Frisco Office LLC	94,608,473	9	0.28%			
Blue Star Frisco Health Complex LC	89,281,622	10	0.26%			
Tenet Frisco Ltd				82,472,724	3	0.58%
HRT Properties of Texas LTD				78,149,637	4	0.55%
Specified Properties				51,051,750	6	0.36%
HR Acquisition of San Antonio LTD				49,008,267	7	0.35%
Wells Core Reit - 7624/7668 Warren LLC				43,900,000	8	0.31%
IKEA Property Inc				40,680,000	9	0.29%
CRP Cypress Lake LP				38,444,846	10	0.27%
	$ 1,403,449,411		4.16%	$ 778,221,500		5.50%

Source: Collin County Central Appraisal District

City of Frisco
Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30		Total AdjustedTax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years
			Amount (1)	Percentage of Levy	
2012		$ 66,261,790	$ 64,899,099	97.9%	$ 1,338,452
2013		69,300,659	67,880,858	98.0%	1,397,237
2014		75,725,636	74,061,793	97.8%	1,623,326
2015		84,042,993	83,034,597	98.8%	973,680
2016		96,315,490	95,400,787	99.1%	844,516
2017		108,900,105	108,630,126	99.8%	179,569
2018		118,458,993	118,194,277	99.8%	152,409
2019		130,215,109	129,917,230	99.8%	147,062
2020	(2)	141,144,312	141,130,104	100.0%	-
2021		149,783,428	149,048,880	99.5%	-

(1) Includes Rollback Tax Collections each year:

2012	$ 1,034,439
2013	920,854
2014	1,567,254
2015	1,798,784
2016	2,085,716
2017	2,904,273
2018	2,281,810
2019	1,865,915
2020	1,660,590
2021	567,888

(2) Protests resulted in a decrease in the levy and a refund back to the taxpayers

Total Collections to Date	
Amount	Percentage to Lew
$ 66,237,551	100.0%
69,278,095	100.0%
75,685,119	99.9%
84,008,277	100.0%
96,245,303	99.9%
108,809,695	99.9%
118,346,686	99.8%
130,064,292	99.9%
141,130,104	100.0%
149,048,880	99.5%

City of Frisco
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(unaudited)

Fiscal Year		Governmental Activities: General Obligation Bonds (1)	Governmental Activities: Certificates of Obligation	Business-Type Activities: General Obligation Bonds (3)	Business-Type Activities: Certificates of Obligation
2012		$ 347,800,000	$ 106,035,000	$ 33,305,000	$ 70,930,000
2013		361,004,945	97,649,500	47,495,055	72,425,500
2014	(2)	383,943,103	179,938,265	55,967,190	77,369,745
2015		419,158,041	199,484,507	82,020,832	58,220,972
2016		468,046,042	192,838,087	76,173,629	72,011,281
2017		477,748,965	186,123,039	69,796,969	82,174,273
2018		491,948,330	178,133,394	61,370,686	93,621,865
2019		515,948,510	222,128,248	52,846,584	99,377,210
2020		498,318,357	212,716,332	44,280,909	109,586,713
2021		534,795,879	202,317,208	35,472,141	126,753,994

(1) Includes component unit debt which is not supported by ad valorem tax.
(2) Net of Premiums and Discounts beginning 9/30/2014.
(3) Includes General Obligation Refunding Bonds which are not supported by ad valorem tax.

	Total Primary Government	Percentage of Personal Income		Per Capita
$	558,070,000	11%	$	4,350
	578,575,000	10%		4,257
	697,218,303	11%		4,876
	758,884,352	12%		5,025
	809,069,039	11%		5,115
	815,843,246	9%		4,818
	825,074,275	9%		4,584
	890,300,552	9%		4,683
	864,902,311	8%		4,268
	899,339,222	8%		4,247

City of Frisco
Ratio of Net Bonded General Obligation Debt to Assessed Value
And Net Bonded General Obligation Debt Per Capita
Last Ten Fiscal Years
(unaudited)

Fiscal Year		Population		Assessed Value (,000) (2)	General Obligation Bonded Debt (3)	Less Debt Service Funds (5)
2012		128,281	$	14,117,672	$ 381,105,000	$ 1,586,766
2013		135,920		14,741,050	408,500,000	1,404,347
2014	(4)	142,990		15,898,188	439,910,293	1,396,883
2015		151,030		18,046,802	501,178,873	2,022,051
2016		158,180		20,795,469	544,219,671	2,061,052
2017		169,320		24,283,387	547,545,934	2,769,122
2018		180,000		26,532,840	553,319,016	3,048,556
2019		190,093		28,807,817	568,795,094	1,948,700
2020		202,666		31,652,547	542,599,266	2,063,994
2021		211,758	(1)	33,718,537	570,268,020	46,807

(1) Population estimate as of September 30, 2021
(2) Original Certified Taxable Value (,000)
(3) Includes refunded bonded debt which is not supported by ad valorem tax.
(4) The amount is net of premium and discounts beginning in 2014.
(5) This represents net position restricted for debt service

Net Bonded General Obligation Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded General Obligation Debt per Capita
$ 379,518,234	2.69	$ 2,958
407,095,653	2.76	2,995
438,513,410	2.39	3,067
499,156,822	2.77	3,305
542,158,619	2.59	3,408
544,776,812	2.23	3,199
550,270,460	2.07	3,057
566,846,394	1.97	2,982
540,535,272	1.71	2,667
570,221,213	1.69	2,693

City of Frisco
Computation of Direct and Overlapping Bonded Debt
Net Bonded Debt Outstanding
September 30, 2021
(unaudited)

Jurisdiction	Net Bonded Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct debt: (2)			
City of Frisco, Texas	$ 855,175,000	100.00%	$ 855,175,000
Total direct debt	855,175,000		855,175,000
Overlapping debt: (1)			
Collin County	526,975,000	12.98%	68,401,355
Collin County College District	514,470,000	12.98%	66,778,206
Denton County	571,605,000	10.88%	62,190,624
Frisco Independent School District	2,149,080,697	70.22%	1,509,084,465
Lewisville Independent School District	1,315,387,363	3.38%	44,460,093
Little Elm Independent School District	330,441,408	13.57%	44,840,899
Prosper Independent School District	955,880,164	10.68%	102,088,002
Total overlapping debt	6,363,839,632		1,897,843,644
Total direct and overlapping debt	$ 7,219,014,632		$ 2,753,018,644
Total direct and overlapping debt % of AV			8.70%
Total direct and overlapping debt per capita			$13,584.02

(1) Information obtained from the Municipal Advisory Council (MAC) of Texas Report.
(2) Premiums and Discounts of $44,164,222 are not included in MAC Report.

City of Frisco
Computation of Legal Debt Margin
September 30, 2021
(unaudited)

The City Charter of the City of Frisco, Texas does not provide for a debt limit. Under provisions of state law, the maximum tax rate is limited to $2.50 per $100 assessed valuation.

The tax rate for fiscal year 2021 was established at $0.4466 per $100 of assessed valuation based on taxable appraised value.

City of Frisco
Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Population	Personal Income (,000)	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2012	128,281	$ 5,180,628	$ 40,385	34.0	42,650	5.4%
2013	135,920	5,757,299	42,358	34.0	45,479	4.3%
2014	142,990	6,155,291	43,047	34.3	49,632	3.2%
2015	151,030	6,584,153	43,595	36.1	53,323	3.5%
2016	158,180	7,555,626	47,766	37.0	55,924	3.9%
2017	169,320	8,926,212	52,718	37.4	58,461	3.7%
2018	180,000	9,428,040	52,378	37.4	60,205	3.2%
2019	190,093	10,131,006	53,295	37.7	62,730	3.1%
2020	202,666	10,237,268	50,513	36.0	63,533	3.6%
2021	211,758 (1)	10,696,532	50,513 (2)*	36.0 (2)*	65,494 (3)*	3.6% (4)*

Sources:
(1) City of Frisco (Population) as of September 30, 2021
(2) City of Frisco Development Services Annual Report January 2021
(3) Frisco Independent School District (School Enrollment), October 2020
(4) City of Frisco Development Services Annual Report January 2021
* Due to COVID-19 this data sourced from ACS does not have reliable data to update these figures

City of Frisco
Principal Employers
Current Year and Nine Years Ago
September 30, 2021
(unaudited)

	2021			2012		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Frisco ISD (4,071 certified teachers)	7,048	1	8.52%	5,500	1	12.55%
City of Frisco	1,630	2	1.97%	1,140	3	2.60%
Conifer	903	3	1.09%	500	7	1.14%
T-Mobile USA	900	4	1.09%	525	6	1.20%
Baylor Medical Center (Warren Pkwy)	663	5	0.80%			
Mario Sinacola & Sons Excavating	603	6	0.73%	603	5	1.38%
Oracle	500	7	0.60%	409	9	0.93%
IKEA Frisco	423	8	0.51%	412	8	0.94%
Baylor Scott White/Centennial Hospital	400	9	0.48%			
UT Southwestern/Texas Health Hospital	300	10	0.36%			
Stonebriar Center Mall				3,456	2	7.88%
Amerisource Bergen Specialty Group				1,100	4	2.51%
Market Street				300	10	0.68%
Total	13,370		16.15%	13,945		31.81%

Source: FEDC, Frisco ISD Communications

City of Frisco
City Government Employees by Function/Program
Last Ten Fiscal Years
(unaudited)

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020 (1)	2021
General government	206	202	217	238	258	267	277	288	288	289
Public safety										
Police										
Officers	146	151	158	170	180	199	210	214	218	221
Civilians	59	67	67	70	78	91	101	111	111	114
Fire										
Firefighters and officers	161	161	165	185	197	210	227	237	238	239
Civilians	13	15	15	17	21	22	26	28	27	27
Highways and streets										
Engineering	45	46	44	45	48	49	41	42	42	42
Maintenance	49	42	54	55	55	58	75	77	77	77
Culture and recreation	360	378	449	451	472	482	480	487	467	460
Environmental services	12	12	12	12	15	16	16	18	21	22
Utilities	79	80	83	87	92	97	112	119	119	119
Stormwater	10	6	11	12	14	16	19	20	20	20
Total	1,140	1,160	1,275	1,342	1,430	1,507	1,584	1,641	1,628	1,630

Source: City of Frisco-Position Control

(1) During COVID-19 Pandemic, the City had a reduction in workforce of partime culture and recreation employees

City of Frisco
Operating Indicators by Function
Last Ten Fiscal Years
(unaudited)

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government										
Building permits issued										
Residential	1,370	2,255	2,033	2,386	2,187	1,936	2,248	2,083	2,282	2,373
Commercial	325	347	454	432	549	644	600	477	454	423
Planning and development submittals	309	402	490	590	600	609	622	582	712	890
Police										
Physical arrests	3,398	3,245	3,200	3,138	3,197	3,137	3,676	3,562	2,462	2,230
Traffic violations	16,413	17,460	20,194	19,708	21,008	19,062	21,394	15,701	11,257	10,139
Parking violations	854	799	668	387	294	265	623	3,339	193	313
Fire protection										
Number of calls answered	8,684	8,645	9,738	10,666	11,747	12,660	14,172	14,783	14,471	19,107
Inspections	5,373	5,490	5,192	5,437	6,386	4,151	2,275	3,201	2,904	3,808
Inspections - SAFER Program	2,688	2,922	2,656	2,555	1,532	1,059	2,058	2,272	1,394	2,541
Highways and streets										
Street resurfacing (square yards)	6,291	22,376	36,166	25,827	19,391	18,238	24,697	24,419	16,055	33,802
Street curb miles swept	7,896	7,896	7,896	7,896	10,417	10,417	10,672	10,672	10,780	10,780
Environmental services										
Solid waste collected (tons)	79,154	86,814	93,583	110,962	105,050	108,002	113,504	113,709	114,892	121,212
Recycled materials collected (tons)	15,343	15,814	15,716	16,382	17,457	18,868	23,506	19,352	20,364	22,977
Culture and recreation										
Library transactions	2,644,134	2,327,801	2,441,291	2,921,874	3,613,178	3,560,913	4,790,505	5,059,673	2,965,852	3,352,640
Library visits	601,078	548,760	563,268	587,313	620,115	632,168	651,002	702,979	356,036	405,235
Parks acreage	1,348	1,348	1,449	1,449	1,432	1,621	2,535	2,535	2,535	2,535
Athletic facilities and Senior Center (visits)	803,925	710,430	697,775	711,661	853,265	814,748	753,000	794,281	325,676	407,229
Water										
New connections	1,473	2,372	2,280	2,541	2,889	2,262	2,457	2,114	2,490	2,507
Average daily consumption (million gallons/day)	26.5	25.8	20.9	24.2	25.6	25.9	31.1	28.7	32.0	33.6
Sewer										
Average daily wastewater flow (million gallon/day)	8.5	10.0	10.6	12.1	13.2	12.7	13.4	13.4	14.9	15.0

Sources: Various government departments

City of Frisco
Capital Asset Statistics by Function
Last Ten Fiscal Years
(unaudited)

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government										
Sports Complexes Supported	7	7	7	7	7	7	7	7	7	7
Museums, Art Gallery Supported**	3	3	3	3	3	3	3	3	3	3
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol and Traffic Dedicated Vehicles	35	38	42	45	60	65	70	72	75	79
Fire Stations	7	7	7	8	8	8	8	9	9	9
Highways and streets										
Streets (miles)	1,246	1,246	1,709	1,771	2,011	2,313	2,401	2,458	2,500	2,401
Streetlights/Street poles	7,732	8,173	8,523	8,973	9,360	10,032	10,421	11,636	12,032	12,908
Traffic signals	91	96	100	102	111	129	138	148	155	162
Culture and recreation										
Parks acreage										
Parks developed	646	646	864	921	921	921	921	1,545	1,545	1,545
Parks undeveloped	702	702	585	528	511	700	700	990	990	990
Swimming facilities	1	1	1	1	1	1	1	1	1	1
Recreation centers	1	1	1	1	1	1	1	1	1	1
Community centers	2	2	2	1	1	1	1	1	1	1
Tennis courts	6	6	6	4	6	6	6	6	6	6
Soccer fields	27	27	27	27	27	35	35	35	35	35
Baseball fields	19	19	19	24	24	24	24	24	24	24
Water										
Customers/Accounts	42,539	44,988	47,039	49,740	52,182	54,261	57,661	59,172	61,515	64,104
Water lines (miles)	771	810	842	899	914	993	1,030	1,059	1,059	1,131
Fire hydrants	8,299	8,602	9,039	9,712	9,886	10,801	11,215	11,624	11,622	12,382
Maximum daily capacity (millions of gallons)	134.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0	127.0
Wastewater										
Customers/Accounts	39,335	43,091	44,312	46,763	48,281	50,212	53,547	55,842	58,354	60,392
Sanitary sewers (miles)	592	620	629	693	705	742	789	798	798	865
Storm sewers (miles)	526	551	589	642	375	417	438	448	448	470

** Museums, Art Galleries Supported include the Heritage Museum.

Source: Various government departments

GEORGE A. PUREFOY MUNICIPAL CENTER
6101 FRISCO SQUARE BLVD.
FRISCO, TX 75034

972-292-5000

FRISCOTEXAS.GOV